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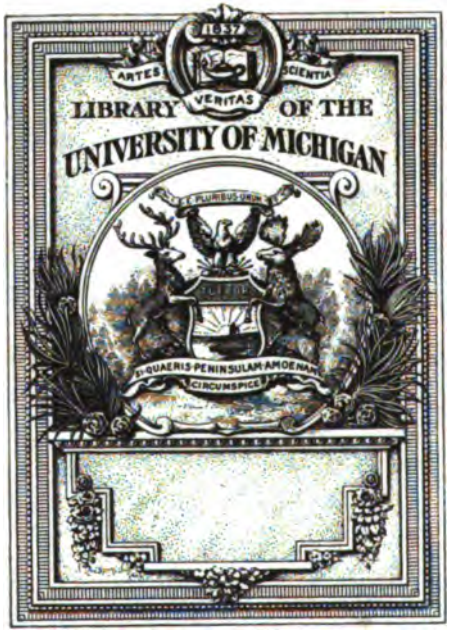

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THE

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AND

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EDITED BY

WILLIAM B. DANA.

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THE

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JANUARY, 1864.

PROSPECTS OF IRELAND.

THE emigration from Ireland, increasing as it does, month after month, has given rise to much discussion as to the future of that portion of the United Kingdom. The *present* effect is clearly seen in the published returns. Population is decreasing, while, at the same time, there is a progressive diminution in the amount and value of live stock, as well as in the amount of land under tillage. The following table shows the population of Ireland at various periods during the last forty years :

POPULATION OF IRELAND.

1821.....	6,801,827	1841.....	8,185,124	1856.....	6,000,000
1831.....	7,767,401	1851.....	6 552,385	1861.....	5,764,543

We thus see that since 1851 there has been a decrease in population of 787,842, and since 1841, a decrease of 2,420,581. These are certainly not very encouraging figures, and especially when taken in connection with the greatly increased emigration of the present year. Bear in mind, too, that emigrants are for the most part in the prime of life—four-fifths of them being under thirty years—and we see how the vital force of Ireland has been drawn away. In the five years from the end of 1846 to the end of 1851, the emigration from Ireland amounted to 1,422,000. In the eleven succeeding years, that is, to the close of 1862, the account runs thus:

EMIGRATION FROM IRELAND.

1852	368,966	1858	68,093
1853	329,937	1859	84,599
1854	323,429	1860	84,600
1855	176,807	1861	64,300
1856	176,554	1862	70,100
1857	212,875		
		Total	1,960,260
Previous five years			1,422,000
Total emigration from Ireland since 1846			3,382,260

The increase in emigration this year over past years may be more clearly understood by the following comparison for the first seven months of the last four years:

EMIGRATION FOR THE FIRST SEVEN MONTHS OF EACH YEAR.

1860	55,782	1862	45,899
1861	45,508	1863	80,500

The above proportionate increase will probably be sustained for the year. Such, then, are the workings of emigration and other natural causes on the population of Ireland.

If now we turn to the agricultural results of such loss in population, we find them just what we should naturally expect to find from the foregoing statements.

Thus, it will be seen in the following table that the live stock has gradually decreased since 1859:

LIVE STOCK IN IRELAND.

	Horses.	Cattle.	Sheep.	Pigs.
1859.....	629,075	3,815,598	3,592,804	1,265,751
1860.....	619,811	3,606,374	3,542,080	1,271,072
1861.....	614,232	3,471,688	3,556,050	1,102,042
1862.....	602,894	3,254,890	3,456,132	1,154,324
1863.....	579,179	3,138,275	3,303,931	1,064,802

So also the extent of land under cultivation has decreased, while the amount laid down in grass has increased.

EXTENT OF LAND UNDER EACH CROP.

	1859.	1860.	1861.	1862.	1863.
Wheat.....acres	464,175	466,415	401,243	357,616	264,766
Oats	1,982,662	1,966,304	1,999,160	1,974,737	1,948,986
Other grain	207,900	206,600	224,500	219,600	195,000
Total cereals.....	2,654,737	2,639,319	2,624,903	2,552,153	2,408,752
Potatoes.....	1,200,347	1,172,079	1,133,504	1,017,317	1,028,626
Other roots.....	403,000	394,000	407,000	448,000	423,000
Flax.....	136,282	128,595	147,957	150,012	213,900
Vetches, meadow & clover	1,470,000	1,654,000	1,580,000	1,583,000	1,590,000

The flax crop shows a steady increase, but the cereals have all decreased —the natural result of the diminished population.

Yet, notwithstanding the facts above stated, we believe that the gloomy forebodings respecting Ireland, which are heard on every side, are entirely uncalled for. True, the aggregate population is decreasing, and England is thus losing its richest recruiting ground, yet Ireland will not eventually lose, but gain by it, *for it is over-peopled.*

Few persons know, and no one who has not traveled in that country can fully realize how large a portion of the surface of Ireland is not only uncultivated, but unfit for cultivation—much of it being absolutely irreclaimable, more quite incapable of repaying the cost of reclamation. One-third of the measured area consists of water, marsh, bog, or stones. Many districts which nature never meant to be peopled at all, are made to support a scanty population on a scanty subsistence by taking advan-

tage of small patches of ground lying amid rocks, clearing away all removable blocks of stone, and carrying thither soil and manure painfully scraped together. The following table exhibits the facts of the case at a glance:

POPULATION AND AREA OF IRELAND.

Provinces.	Total acreage.	Acres available for cultivation.	Population in 1861.	Total acres per head.	Available acres per head.
Leinster.....	4,876,000	3,976,000	1,439,600	3 4	2.8
Munster	6,064,000	3,890,000	1,503,200	4.0	2.6
Ulster.....	5,476,000	3,416,000	1,910,400	2.8	1.8
Connaught.....	4,392,000	2,225,000	911,300	3.6	2.4
Total.....	20,808,000	13,507,900	5,764,500	3.6	2.35

Now there is not much manufacturing industry in any part of Ireland —in Connaught absolutely none, in Munster next to none. The people subsist almost entirely on the produce of the soil, or by the sale of that produce. Yet we find that the amount of land for each person averages only 3.6 acres, including even what is of scarcely more value for the support of life than the bays and creeks by which it is surrounded; while of actually cultivated or cultivable land, the share of each man is less than 2½ acres. With such facts as these before us, the following from a correspondent in Ireland of the London *Times*, in November last, is not surprising. This correspondent says:

"I have now for the last ten years settled in the midst of an agricultural population. I have anxiously observed the wretchedness with which I am surrounded, and my observation of facts has forced upon me several conclusions. I see that, as a class, the small farmers are doomed, and that nothing can save them from the effects of the process which sweeps them away. I see that even large farmers can only succeed by giving up all tillage, except what is absolutely necessary for their stock, and that they are universally aware that they never again can compete with America and the Baltic, etc., in the matter of corn, but that they are able to compete successfully with the world, as to butter and meat; that neither rents nor profits result from tilling, and that both can be made and realized, as well as at any former period, by stock and pasturage.

"I see, as the necessary consequence, the miseries of an unemployed laboring class, unable, after repeated trials and failures of the potato crop, to live upon the land on which they are squatted, if they had it rent free. * * * * * *

"The laboring people of my neighborhood esteem themselves well off if they can get a shilling a day, without house, meat, or drink, for three or four days of each week for the next six months, and this is actually what the fortunate few receive, and what the one resident proprietor who endeavors to find employment for them gives. In the summer they borrow a little to feed them while cutting their turf, and throughout the winter the wife, the son, or the father, takes the ass-load of turf five Irish miles to sell for 8d and 10d, and often 6d, which is to feed and pay for the ass and the guide, and meet the demand of the loan fund. These people are wretchedly fed, clothed, and housed."

Can we wonder, after reading such statements as these, that emigration should increase? And is it not evident that until the population is much less than it now is, so that the proportion of land to each person is greater than at present, emigration must continue to be of great advantage, both to Ireland and the emigrant. It is a remedy, not a disease.

UNITED STATES BANKS AND PAPER CURRENCY vs. STATE BANKS AND THE SUB-TREASURY.

THE Secretary of the Treasury has announced in his annual report that the object of the National Bank System is to introduce "a permanent national currency." This is a very grave announcement. It is no less than reversing with a sweep of the pen the decision of the American people in relation to paper money in general, and particularly in relation to a national bank connected with the Government and controlled by political influences. If any one question can be considered as fully and clearly settled by public opinion, after a long discussion of fifteen years, it is most certainly the condemnation of Government connection with banks. Yet, in a moment of extreme distress—almost of national dissolution—the Secretary of the Treasury seeks to reimpose a system worse than any before tried in the country. It was first suggested as an aid to our finances, at a time when Government stocks were slow of sale, but is now put forth as "a permanent currency" plan; and in discussing this question it should be remembered, therefore, that this bank system is not proposed as a *war* measure—a system necessary for the support of Government in these trying times—but as a *peace* establishment, a "*permanent* currency." Any temporary *war* measure we should support, if we considered it an assistance to Government in its present efforts to raise money; but when the idea is announced by the Secretary of the Treasury that he is about to fasten permanently upon us the evil of a paper currrency and Government banks, it becomes all thoughtful men to hesitate before they give in their adhesion to any such plan. This proposition of the Secretary is the more wonderful when it is remembered that, during the long struggle with the National Bank and paper money interest, Mr. CHASE was among the advocates of the "constitutional" specie currency and "divorce of bank and State."

For a moment let us look at the past. This Government was organized amidst the ruins of a paper money system which had sapped the strength of each of the States and ruined the credit of the Confederation. There was then (in 1780,) no paper of any credit afloat, and but about $5,000,000 of specie.* The credit of the Federal Government was restored by the grant to it from the States of the sole right to collect duties on imports; but it was without a currency, and the means of internal communication were very difficult. The fiscal affairs of the Government required under such circumstances, according to Mr. HAMILTON, a national bank, which was chartered, in 1791, for twenty years, and not to issue notes under $10. Several State banks also came into operation about the same time. In 1811, when the charter of the bank expired, the paper circulation, according to GALLATIN, was $36,000,000, with $30,000,000 of specie in the country. Congress then refused to recharter the United States Bank, and a great number of State banks started to take its place, so that in 1814, during the war, the paper circulation was $46,000,000 and the specie had declined one-half. The banks suspended and specie rose to 17 premium. The New Orleans banks stopped April, 1814; the Philadelphia banks suspended August 30, 1814; those of Ohio and Kentucky, January 1, 1815, and those of Nashville, August, 1815. Some of the Maine banks suspended, but other banks in New England sustained specie payments. The

* HAMILTON'S Life, page 350, vol. 1.

whole circulation was then $75,000,000,* of every shade of discount from 3 to 60 per cent. In this currency the revenues of the Government were collected, and the banks were the depositories of the Government. On the return of peace, in order to restore the currency, the "new" National Bank was chartered in 1817 for twenty years, but it was a long time before the currency was fully at par. During the existence of that institution State banks multiplied, failed, and despoiled and disgusted the people in all the States. Many devices were employed to keep bankers from failing, but without much success. Vermont and New York tried safety funds, and other States put many kinds of limitations upon the power of corporate banks. Boston devised the "Suffolk system," which operates to compel each bank in New England to be ready at all times to redeem its notes at the financial center, and that plan is, perhaps, the only effective one. Meantime the National Bank had grown up into a great political machine, and, as the limit of its charter approached, it struggled to prolong its existence by exerting its political influence. The Government removed its deposits from the custody of the concern and placed them once more with State banks, all of which, with the National Bank, suspended specie payments in 1837, with $149,000,000 circulation outstanding. The banks of New York and New England resumed specie payments May, 1838. The United States Bank, together with a large number South and West, were unable to do so. Their assets were taken at inflated prices and could not be realized in specie prices except at a total loss of capital. It was therefore impossible to resume. Nevertheless, the resumption in New York compelled the attempt, and January, 1839, the United States Bank resumed and staggered on until October 11, 1839, when, after a desperate attempt to force a second failure in New York, it went down and was liquidated. Two hundred million dollars of bank capital then went out of existence South and West.

The time had now come for reform. The people were weary of the continual expansions, inflations, and suspensions of the banks and of the paper currency with which they flooded the country and robbed the public. The Government recognized the evil, and reformed the coinage in 1837 in such a manner as to tend to keep gold in the country. It forbade the sale of lands for anything but specie, and projected the Independent Treasury plan of finance, by which all the revenues of the Government were to be collected and disbursed in specie, and an entire divorce of Bank and State perfected. On the 7th of January, 1841, Congress required of the Secretary of the Treasury, LEVI WOODBURY, 1st, A return of the losses that had been sustained by the Government by using banks as depositories, and by its connection generally with banks; 2d, The amount the people had lost by banks and their issues. The replies were in substance as follows:

Losses sustained by the Government to the year 1837....	$15,492,000
Losses by bank failures sustained by the public.....	108,855,721
Losses by bank suspensions and depreciation of notes....	95,000,000
Losses by destruction of bank notes.....	7,121,332
Losses by counterfeit notes beyond losses by coin.....	4,414,444
Losses by fluctuations, revulsions, sacrifices of property, etc.	150,000,000
Aggregate.....	$380,943,497

† Secretary CRAWFORD.

The House Committee of Ways and Means, in 1830, estimated the losses on depreciation of bank notes issued prior to 1817 at $30,000,000. They embraced, in this estimate, the loans made by the Government in depreciated paper and subsequently paid in gold. Thus, in 1824, $100 in gold was paid in the redemption of a stock which had been issued at 88 for bank notes, at 12 per cent discount for specie—equal to 77 for specie. The Government thus paid 10 years' six per cent interest, $60, and $100 principal, making $160 for the use of $77. All these evils of the paper system determined Congress to pass the Independent Treasury law; that is, a law by which the Treasury should be independent of all banks, receiving and paying out the "Constitutional currency" only. The Whig party came into power, March, 1841. They called an extra session, and immediately repealed the Treasury law, throwing the Treasury again into the hands of deposit banks in various parts of the country, but all of which were required to give ample security for the public funds. At the next election this party lost power, and the Independent Treasury law was re-enacted in 1846, continuing in force down to February, 1862, a period of sixteen years, to the entire satisfaction of the people, the banks, and the Government. No disturbance of the currency was created by it; the Government did not lose a dollar; and its action, by keeping up a constant demand for coin for all public dues, and emitting a stream of metallic currency through the channels of public expenditure, kept the metals active and wonderfully promoted the increase of the metallic currency. In all that period, the finances were in New York administered with great ability by Mr. J. J. Cisco, Assistant Treasurer.

In the meantime, each State had taken similar action against bank credits. New York had, in 1838, established the security system, by which no bank can issue notes not secured on New York or United States stock. Illinois prohibited banks altogether, but subsequently allowed the security system, but had provided for the collection of State duties in specie. Ohio had similar provisions, and throughout the country there was a steady approximation to a purely specie currency. The New York security law was adopted in the following States:

		Stocks held, 1860.	Circulation, '60.
Michigan	1849	$192,831	$222,197
New Jersey	1850	962,911	4,811,832
Virginia	1851	3,584,078	9,812,987
Illinois	1851	9,826,691	8,981,723
Ohio	1851	2,153,552	7,983,889
Iowa	1858	101,849	568,806
Indiana	1852	1,349,466	5,390,246
Wisconsin	1854	5,031,504	4,429,855
Missouri	1856	725,620	7,884,885
Tennessee	1852	1,233,432	5,538,978
Louisiana	1857	5,842,096	11,579,313
Minnesota	1858	50,000	50,000
Total		$57,951,954	$97,212,827

The effect of all these movements was greatly to diminish the use of paper as a currency; but the extraordinary degree to which this diminution took place is not generally appreciated. The following figures will give

some indication of it. They show, per census, the annual productions of the country at three periods, with the imports and exports, and bank circulation:

	Annual production.*				Circulation.	
	Manufactures.	Agriculture.	Imports & ex.	Population.	Bank notes.	Specie.
1840...	$483,278,285	$621,163,977	$239,229,466	17,000,000	$149,000,000	$83,000,000†
1850...	1,055,595,899	994,093,842	880,037,028	23,191,871	155,012,911	112,615,603
1860...	2,000,000,000	1,910,000,000	762,284,287	31,000,000	202,005,767	275,000,000‡

The paper circulation in 1840 was about nine dollars per head of the population. It was sixty per cent of the imports and exports, and thirteen per cent of the annual productions. In 1860, the circulation was less than seven dollars per head of the population, thirty per cent of the imports and exports, and only five per cent of the annual productions. Had it borne to the latter the same ratio as in 1840, the amount would have been $560,000,000. The increase required by business was made up, it appears, by specie. Thus the whole currency had become either specie, or paper secured upon State and United States stocks, and this to an extent that was quite safe, because the rule that the bank notes of each State should be secured on the stocks of the State afforded far greater security than if all were secured on one kind of stock. Thus New York State stock will always be a favorite with New York capitalists; the citizen of Massachusetts prefers his own State stock. The surplus capital of each State naturally seeks investment near home, where its value is controlled by no rival interests. It is apparent from the above table that the course of the Government in separating its finances from the banks, and making the currency of the Constitution the only medium between it and the people, and causing it to flow actively through the Treasury, was an eminently wise one. It is also apparent that the restraint put upon paper money by State laws operated in a most salutary manner in the same direction, and induced the immense development of business which grew out of the great production of the country, to be carried on in a strictly specie currency. If it is assumed that all goods and produce produced are sold five times only before being consumed, then the trade of 1840 would be represented by $5,500,000,000, which turned upon a mixed currency of $232,000,000. In 1860, by the same rule, the transactions were $20,000,000,000, and turned upon a mixed currency of $477,000,000. Thus four times the business was done, with double the circulation, because being specie it was more effective.

Such, then, are the lessons of the past. It was only through fire and water, as we have seen by our hasty review, that the country reached this comparatively safe position financially. And we are now in this war reaping the blessed fruits of this policy, for the great increase of specie capital of the country thus brought about has been of immense service in this hour of the nation's trial. Let us reflect what would have been the case now, had the country been as bare of coin, and its currency as dependent upon rotten banks, as in 1836–37? The first disturbance caused by the war would have swept all into insolvency, and left the Government without credit and without resources. So far from that, when the Treasury came forward for aid in 1861 the banks loaned $150,000,000 in gold to the Government, and would have been able to have maintained specie payments notwithstanding, but for the unfortunate inspiration of the Secretary, which

* Census reports. † Treasury reports. ‡ Mr. Chase.

induced Congress to emit $150,000,000 of paper money, and so alarm the public, that $20.000,000 in specie were drained from the banks in thirty days after the reading of Mr. CHASE's first annual report. The country then accepted the necessity of Government paper money as a war measure. They recognized the fact that it was a resource within a fixed limit, although very few thinking men accepted the dogma that it is "borrowing without interest," since all know that it is the most expensive mode of borrowing that can be adopted by either Government or people. The Secretary, in his late report, fully admits this fact, and asserts that "additional loans in this mode would, indeed, almost certainly prove illusory; for diminished value could hardly fail to neutralize increased amount." "Sufficient circulation having been provided, the Government must now borrow like any other employer," etc. With these views, Mr. CHASE's future policy is certainly marvelous, it being no less than to add to the outstanding issue of the Government $300,000,000 of inconvertible bank paper, of a less value than the Government notes of which he complains, and to make the system of issues "a permanent national currency"! There have been organized, he informs us, one hundred and thirty-four of these banks, with an aggregate capital of $16,081,200, which is an average of $120,000 each. At this average, the number of banks under the law will be two thousand, with $226,000,000 of capital, and authorized to circulate $203,400,000 of paper notes, receivable for public dues and redeemable in greenbacks. If these banks do any business besides emitting circulation, it must be to loan their notes and the Government deposits that they are to have, on values inflated at present fifty per cent, and the action of their own notes will still further inflate prices, because they will increase the existing paper money fifty per cent. These facts are a guarantee that those banks can never pay specie, because a return to specie payments by the old banks would sweep away half the assets of the new institutions, as was the case with the late National Bank in 1839. Let us suppose that these concerns should hold the whole of their $100,000,000 of Government deposits—and it is intended that they shall hold much more than that—and that they have loaned the money on securities inflated one half. On the approach of peace, the Government will want its money; the old banks may resume; and the new banks attempt to realize to pay the Government, while their notes are run in for redemption. They would have to sacrifice $100,000,000 of assets to pay the Government, while at the same time they would be compelled to sell stock to redeem the national circulation, which would become worthless from discredit. At such a moment, the insolvency of the whole mass of banks would involve the Treasury in dishonor and the Government in ruin.

In this connection consider the nature of this "*uniform* currency," for it is this idea of uniformity that is continually dwelt upon in speaking of these bank issues. Will it then be uniform? Greenbacks are, and why not this? The answer is very simple and plain, that it will not be, *for it is redeemable* (that is, convertible into legal tender,) *only at the point of issue.* Suppose one were to receive one of these notes issued in Oregon, in some out-of-the-way village, and redeemable only there, what would be its value in New York city? Of course it would only be what the redeeming agent in that city (if it had one, if not, what the broker) chose to give for it, and he would buy it at a discount just in proportion to the expense and difficulty of making the conversion. It would be more difficult to send a note to Oregon to be redeemed than it would be to send one to Chicago, and

therefore the discount on it would be greater. Hence these notes will be at every shade of discount, and as far from uniformity as anything could well be. Greenbacks differ in a very essential particular; they are *a legal tender for all debts*, and, of course, when notes are a legal tender their *point of redemption is everywhere where there is a purchase to make or a creditor to pay.* These new bank issues are not to be a legal tender between individuals, and are only to be redeemed (that is, converted into legal tender) at the point of issue.

And in this uncertain discount on these notes will consist the chief profits of issue. The history of the New York law is the proof of this. Nearly all the amendments of that law through many years were directed to circumventing the banks of issue, who kept agents to buy up their own notes at a discount. The plan is this: The law allows five individuals—two men and three clerks—to organize in an inaccessible village a bank of $50,000. They are to pay in one-third, say $15,000, and one-third of that is to be put into bonds, say $5,000. On these bonds they get $4,500 circulating notes, with which they buy more bonds and get for them $4,150 more notes, and, repeating this operation six times, they will have lodged $26,000 of stocks and have out $24,000 of notes. The account will then stand—

Capital	$10,000
Stocks lodged	26,000
	$36,000
Notes out	24,000

They draw $2,520 per annum interest from the Government in gold on the stocks, and lend the $10,000 at 7 per cent. The circulation cannot be redeemed, because the "place of issue" *cannot be found.* The owners have a place of redemption in Wall Street, where they charge from ½ to 5 per cent, according to the panic which they can excite. The creation of panics is one portion of their craft. If there is no alarm redemptions are sluggish and profits small, and circulation bankers are disgusted. Means are taken to alarm the public and cause a rush for redemption, when the rate rises to 5 @ 10 per cent. The "uniform currency banks" rake down the profit and then soothe the public mind until they get the circulation out anew. If they redeem six times per annum, at 2 per cent, they make $2,880, and the profits are—

Gold interest on stock	$2,520
Interest on capital	700
Discount on redemption	2,880
Profit 40 per cent on investment	$6,100

This is a mere circulation bank, and does not take into account the profits of Government deposits without interest on security. It is simply a "uniform currency" machine. It is easy to see that this system will, sooner or later come to the ground; that the notes, when panic is carried too far, will not be paid by the banks, but will fall upon the Treasury. How will the Treasury meet the demand in that hour? By selling the stock held by

the banks. What will $300,000,000 of stocks bring at a moment of dissolution of the currency?

The laws of the State of New York, after the experience of twenty years' operation of the security system, gradually improved until the currency in the State had become very uniform—nearly on a par with specie, and, therefore, on a par with other well regulated banks in other States. This was done by requiring State and United States securities. Thus, take any New York bank, say Commercial Bank of Whitehall. Its position is as follows:

New York stocks	$52,000
United States 6 per cent stocks	60,000
Total stocks	$112,000.
Circulation	101,888

Now, if this bank lodged its stocks in Washington, instead of Albany, would its notes be any more secure, or uniform, or national, or nearer to specie standard? Certainly not. Let us go to Indiana. The Farmers Bank has $53,000 Indiana 5's to secure $45,810 circulation. If Mr. CHASE compels it to sell its State stocks and buy United States stocks, will the purposes of currency be any better subserved? Besides, in case of general disaster, would it not be better that the stocks should be part State stocks, so that such a mass of United States securities might not be thrown on the market at once.

Thus we see that there is no "permanency" and no "unformity" in this currency. It is a mere irredeemable issue of bank notes, petted and fostered by the Government, and, therefore, if the system had any permanency it would only become an immense political machine. The benefit Government expects to receive is really the most wonderful part of the plan. Mr. CHASE tells us that it will create a demand for United States securities as a basis for the banks. How strange it sounds to have such a reason as that urged, when we know that the plan contemplates the depositing of the bonds with the Treasury of the United States and the issuing on them, by the Government, of 90 per cent in currency. That is, Government pays these petted banks 6 per cent in gold on its bonds for the privilege of issuing to them this currency, when it might just as well have issued greenbacks without the intervention of banks or bonds and without paying any interest. Such a benefit as that is certainly marvelous! And yet this is urged as the great reason why this system should be supported, and Government feels so very grateful for the privilege (?) thus granted that it intends to deposit all its funds with these corporations without asking any security, and is to tax them very gently.

A NATIONAL CURRENCY.

BY A. K. SHEPARD.

In a country like ours, where commerce is the chief pursuit, many social evils are directly attributable to radical faults in business, which are very easily corrected, and yet are allowed to exist for generations.

For example, counterfeiting is a crime alarmingly on the increase, and one which leads to others of even worse character, and its very existence is due to the business of the country which tolerates such a system of currency as that with which we are afflicted.

It is not too much to say openly, and from the results of observation and study, that our paper money, as it now exists, is an intolerable nuisance, unworthy the genius of a people making as high pretensions as Americans.

In the State of New York are some three hundred banks, with a circulation, in June, 1863, of $32,000,000. Each bank issues notes of the various denominations from $1, to $500, and very frequently using several plates for engraving the same denomination.

In new England are over five hundred banks, issuing all sorts of notes, and in the Western and other loyal States are eight hundred more, making a total of sixteen hundred banks in the country, issuing notes.

Most of these notes are quoted at various rates of discount, from ½ per cent to 20, and even 40, per cent. Most of them are unbankable out of their own State; many irredeemable by reason of dangerous counterfeits; and these counterfeits in circulation by thousands—a premium on crime and rascality. Banks and brokers thrive, while the community is fleeced and annoyed.

There are no less than one thousand different kinds of bank-notes, which every business man in New York or New England is called upon to criticise and examine, and pay discount on, and suffer more or less from, in the ordinary course of trade.

We talk of the inconvenience of traveling on the continent of Europe, caused by the difference in the coins of each petty State, while the citizen of Pennsylvania or Illinois must visit the broker before he can visit New York or Massachusetts.

Now, opposed to this confused and anomalous condition of the currency, is a system of paper money supplied by Government; one which it is as much the prerogative and duty of Government to provide as to issue coin, and which should represent the whole wealth and material resources of the country; a currency that would pass equally well in Maine and Minnesota, and whose simple eight or nine denominations would not require the skill of an adept to distinguish from counterfeits. Such a system the progress of the age requires, and the commerce of the country should demand of Congress, at its present session, such legislation as will suppress the illegal issues, which infringe upon the constitutional rights of the general Government.

What is our State banking system but an attempted evasion of Art. I., Section 10, of the Constitution of the United States, which expressly states that "no State * * shall emit bills of credit."

Are not our State bank bills registered and entered by State officers, and

does not the State hold the securities and stand godfather to the whole transaction? The bills are as much State "bills of credit" as if issued directly by the State.*

The best corrective yet proposed to these abuses, is a good system of banking to be authorized by Congress, and the people owe it to themselves to lend it their hearty support. The present law may have its defects; but, if it has the act can be easily amended and the system perfected. To the whole country belong the profits upon currency, because upon the whole country are visited the evils resulting from it, and this can only be secured by a national currency. Nor can the banks complain.†

In June, 1863, the banking capital of the State of New York was $108,499,653, and the aggregate profits on that capital, in round numbers, $18,000,000, or about 17 per cent. Taking from the banks their $32,000,000 of circulation, would still leave the aggregate profits on their entire capital 14½ per cent.

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* We think our correspondent is in error here.

1. A bank bill can in no sense be said to be issued by the State, any more than the promissory note of any corporation is the note of the State. It is not upon the *credit* of the State that the bills are issued. The State does not guarantee their payment, it does not in any way lend its credit to the banks, it forces no one to take the bills they issue, and becomes in no way responsible for them. The bank issues stand solely on the credit of the bank whose promises to pay they are.

2. What agency, then, it may be asked, has the State in the matter? We reply, that it simply *regulates* this branch of business, as it regulates others within its own territory. The State does not *grant* the right itself, but it *restricts* the right to issue bank bills to those persons and associations who give certain security by which the public is saved from imposition and loss. No one contends, of course, that the Constitution of the United States contains any provision prohibiting the issue of notes or bills by private persons or associations. And if no clauses of *State* Constitutions and no State statute intervened, what would there be to prevent any man or set of men issuing notes and circulating them? For "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people. The State, however, as we just said, steps in to *regulate* this branch of trade, *restricting* this right to those persons, etc., who give security, thus saving the public from imposition and loss. This is the sole agency the State has in the matter. Those who maintain that the charters of banks, granted by State governments and allowing the issue of notes, violate the Constitution, might with more force argue that the issue of State bonds or State stocks is an infringement of the prohibition against bills of credit, because these are pledges of the *credit of the State*.—Ed. Hunt's Mer. Magazine.

† We do not understand how, by transferring the currency from State banks to United States banks, the country is to receive any benefit. The country *does* get the benefit of the present "greenbacks;" but all the profit of the United States bank currency goes to the United States banks, just as the present profit on State currency goes to the State banks. If, therefore, we want a uniform currency, and think the Government should have the profits, the present issues must be continued, and State currency taxed out of existence. We see no other way of accomplishing these ends.—Ed. Hunt's Mer. Mag.

The business world has many short comings to answer for. Does the modern merchant or banker ever think what a responsibility rests upon him? To be faithful to the duties required of him is not the easy task it was a century ago. With increased facilities for doing good, the temptations to do evil have also increased ten-fold.

Suppose that when Venice was the great commercial center, one of her "merchant princes" was extravagant, reckless, speculative. It affected only himself; his transactions were mostly cash—his relations limited. Few suffered if he went down. But, to-day, in New York, with our complex system of trade and credit, into which every man is woven with meshes that are unseen, but sensitive to the least disturbance, if a great house fails it scatters devastation far and near.

Sitting in his counting-room, the merchant has the resources of the world at his command. The strokes of his pen are wafted thousands of miles; the vast and complicated machinery of steam and electricity are set at work in distant cities and States to further his combinations and projects. If those projects are formed in ignorance of fundamental laws, can the projector hope to escape with mere personal inconvenience? It may well be questioned whether our wisdom has increased with our facilities for applying it in life.

A commercial literature is the thing we need—a literature of which *Hunt's Magazine* is the exponent, and which shall discuss and bring home to every man of business the questions of principle and policy which are so often through ignorance disregarded.

Of these questions not the least important are those resulting from abuses of paper money, and the easiest solution of their difficulties lies in the hearty support of a national banking system—a system which shall give us a uniform currency over the whole country.

COMMERCIAL LAW. No. 9.

AGENCY.

AGENCY IN GENERAL.

The relation of principal and agent implies that the principal acts by and through the agent, so that the acts in fact of the agent are acts in law of the principal; and only when one is authorized by another to act for him in this way, and to this extent, is he an agent. One may act as the agent of another who is disqualified from contracting on his own account; thus infants, married women, and aliens may act as agents for others.

A principal is responsible for the acts of his agent, not only when he has actually given full authority to the agent thus to represent and act for him, but when he has, by his words, or his acts, or both, caused or permitted the person with whom the agent deals to believe him to be clothed with this authority. And a man may thus be held as a principal, because he has in some way authorized *all* persons to believe that he has constituted some other man his agent, or because he has authorized only the party dealing with the supposed agent to so believe. For all responsibility rests upon two grounds, which are commonly united, but either of which is sufficient: one, the giving of actual authority; the other, such appearing to give authority as jus-

tifies those who deal with the supposed agent in believing that he possesses this authority.

A general agent is one authorized to represent his principal in all his business, or in all his business of a particular kind. A particular agent is one authorized to do only a specific thing or a few specified things. It is not always easy to discriminate between these; but it is often important, by reason of the rule that the authority of a *general* agent is measured by the usual scope and character of the business he is empowered to transact. By appointing him to do that business, the principal is considered as saying to the world that his agent has all the authority necessary to the doing of it in the usual way. And if the agent transcends his actual authority, but does not go beyond the natural and usual scope of the business, the principal is bound, unless the party with whom the general agent dealt knew that the agent exceeded his authority. For if an agent does only what is natural and usual in transacting business for his principal, and yet goes beyond the limits prescribed by him, it is obvious that the principal must have put particular and unusual limitations to his authority; and these cannot affect the rights of a third party who deals with the agent in ignorance of these limitations. But, on the other hand, the rule is, that, if an agent who is specially authorized to do a specific thing exceeds his authority, the principal is not bound; because the party dealing with such agent must inquire for himself, and at his own peril, into the extent and limits of the authority given to the agent. Here, however, as before, if the party dealing with the agent, and inquiring, as he should, into his authority, has sufficient evidence of this authority furnished to him by the principal, and, in his dealings with the agent, acts within the limits of the authority thus proved, he cannot be affected by any reservations and limitations made secretly by the principal, and wholly unknown to the person dealing with the agent.

HOW AUTHORITY MAY BE GIVEN TO AN AGENT.

It may be given under seal, in writing without seal, or orally. And an oral appointment authorizes the agent to make a written contract, but not to execute instruments under seal. Nor, as it seems, if an agent has parol authority to make a contract, and affixes a seal to it, will the seal be treated as a nullity, in order to give to the instrument the effect of a simple contract. But an instrument under seal, signed and sealed in the principal's presence, and by his request and authority, will be regarded as the principal's deed, made by himself. One employed by another to act for him in the usual trade or business of the agent, as auctioneer, broker, or the like, acquires thereby authority to do all that is necessary or usual in that business. And if a person puts his goods into the custody of another whose ordinary and usual business it is to sell such goods, he authorizes the whole world to believe that this person has them for sale; and any person buying them honestly, in this belief, would hold them.

Therefore, if fraudulent by-bidding be procured or permitted by the auctioneer, even without the knowledge of the owner of the goods, the owner is answerable for this fraud of his agent, and the buyer has a right to refuse to take the goods. So neither party is bound until the agreement of sale is completed. Therefore the auctioneer may withdraw any article, and a bidder may withdraw any bid, until the article is "knocked down," but

not afterwards; for then the sale is completed, and the property in (or ownership of) the article passes to the buyer.

If one is repeatedly employed to do certain things—as a wife or a son to sign bills or receipts; or a domestic servant to make purchases; or a merchant or broker to sign policies, and the like—in all these cases, one dealing with the person thus usually employed is justified in believing him authorized to do those things with the assent and approbation of his employer; and in the way in which he has done them, but not in any other way. Thus, if a servant is usually employed to buy, but always for cash, this implies no authority to buy on credit.

An agency may be confirmed and established, and in fact created, by a subsequent adoption and ratification; and a corporation is bound by the ratification of an agent's acts, in the same manner as an individual would be. But no ratification would be effectual to bind the principal, unless made by him with a knowledge of all the material facts. And there can be ratification only where the act was done by one purporting to be an agent, or by an assumed authority. Generally, one who receives and holds a beneficial result of the act of another as his agent, is not permitted to deny such agency; and in some cases this is extended even to acts of such agent under seal.

Thus, if an agent sell under seal property of a supposed principal, which might be a corporation, and receive payment and hand this over to the principal, if the principal could show that the agent had no authority, he might avoid the sale and recover the property; but he could not do this and also hold the money paid for it. And if one, knowing that another has acted as his agent, does not disavow the authority as soon as he conveniently can, but lies by and permits a person to go on and deal with the supposed agent, or to lose an opportunity of indemnifying himself, this is an adoption and confirmation of the acts of the agent. Nor can a supposed principal adopt a part for his own benefit, and repudiate the rest of the supposed agency; he must adopt the whole or none.

If an agent makes a sale, and his principal ratifies the sale, he thereby ratifies the agent's representations made at the time of the sale and in relation to it, and is bound by them. Nor can there be a ratification by one party of an act which he did not authorize, if by the ratification he creates a duty on the part of another, or a claim for damages against him. Thus, he cannot ratify a demand of money or property on which to ground an action, or to defeat a tender, if he had not authorized any such demand before it was made.

The act of ratification must take place at a time, and under circumstances, when the ratifying party might himself have lawfully done the act as principal. Thus, we have seen that a consignor or seller may stop goods *in transitu*, by reason of the insolvency of the consignee or buyer. And this he can do by any authorized agent. But if a friend steps forward to stop them for the consignor, without authority, the consignor may ratify this and make the stoppage good before the transit is ended; but he cannot, after the transit is ended, ratify a stoppage made before, because he cannot himself stop the goods after the transit is ended.

The whole subject of mercantile agency is influenced and governed by mercantile usage. Thus, as to the difference between factors and brokers, the law adopts a distinction usual among merchants, although it may not always be regarded by them. A factor is a mercantile agent for sales and

purchases, who has possession of the goods; a broker is such agent, but without possession of the goods. Hence, a factor may act for his principal, but in his own name, because the actual owner, by delivering to him the goods, gives to him the appearance of an owner; but a broker must act only in the name of his principal.

A purchaser of goods from a factor may set off against the price a debt due from the factor, unless he buys the goods knowing that they are another's, and perhaps even then; not so, if the purchaser buy from a broker. Again, a factor has a lien on the goods for his claims against his principal; but a broker generally has not.

One may be a factor as to all rights and duties, who is called a *broker;* as an exchange broker, who has notes for sale on discount, certificates, etc., delivered into his possession; and such broker, being actually a factor, would have a lien on the policies of insurance or other documents held by him, for his commissions and charges about those documents.

A cashier of a bank, or other official person, may be an agent for those whose officer he is, or for others who employ him. He has, without special gift, all the authority necessary or usual to the transaction of his business. But he cannot bind his employers by any unusual or illegal contract made with their customers. The same law, and the same qualifications, apply to the case of officers of railroad companies, or other corporations. Their acts bind their employers or companies, so far as they have authorized those acts, or have justified those who dealt with the officers in believing that they possessed such authority; but no further.

Nor would the acts or permissions of such officer have any validity if they violate his official duties, and are certainly and obviously beyond his power, even if sanctioned by his directors; as if the cashier of a bank permitted overdrawing, or the like. And all parties who deal with such agent in such a transaction would be unable to hold the principal, because of their knowledge or notice of the agent's want of authority; for the law would consider them as knowing that the officer could have no right to do such things.

Therefore, the general agent of a corporation, clothed with a certain power by the charter or the lawful acts of the corporation, may use that power for an authorized, or even a prohibited purpose, in his dealings with an innocent third party, and render the corporation liable for his acts, if they be really within the power given him, or seem to be within it by the fault or act of the corporation; but not otherwise.

EXTENT AND DURATION OF AUTHORITY.

A general authority may continue to bind a principal after its actual revocation, if the agency were known, and the revocation be wholly unknown to the party dealing with the agent, without that party's fault.

An authority to sell implies an authority to sell on credit, if that be usual; otherwise not; and if an agent sells on credit without any authority, or by exceeding his authority, the principal may claim his goods from the purchaser, or hold the agent responsible for their price. Neither an auctioneer, nor a broker employed to sell, has any right to sell on credit, unless this authority is given them expressly, or by some known and established usage. And the agent is generally responsible if he blends the goods of his principal with his own, in such a manner as to confuse them

together, or takes a note payable to himself, unless this be authorized by the usage of the trade.

If the agent (or factor) takes a note payable to himself, and becomes bankrupt, such note belongs to the principal, and not to the agent's assignees.

A power to sell gives a power to warrant, where there is a distinct usage of making such sales with warranty, and the want of authority to warrant is unknown to the purchaser, without his fault; and not otherwise. Thus, it has been held that an authority to sell a horse implies an authority to sell with warranty, because horses are usually sold with warranty. A general authority to sell goods carries with it an authority to sell by sample. General authority to transact business, or even to receive and discharge debts, does not enable an agent to accept or indorse bills or notes, so as to charge his principal. Indeed, special authorities to indorse are construed strictly. But this authority may be implied from circumstances, or from the usage of the agent, recognized and sanctioned by the principal Where a confidential clerk was accustomed to draw bills for his employer, and this employer had authorized him in one instance to indorse, and on two other occasions had received money obtained by his indorsement of his employer's name, the court held that a jury might consider the clerk authorized generally to indorse for his employer. An agent to receive cash has no authority to take bills or notes, except bank-notes.

If an agent sells, and makes a material representation which he believes to be true, and the principal knows it to be false, and does not correct it, this is the fraud of the principal, and avoids the sale.

If an agency be justly implied from general employment, it may continue so far as to bind the principal after his withdrawal of the authority, if that withdrawal be not made known, in such way as is usual or proper, to all who deal with the agent as such.

Revocation, generally, is always in the power and at the will of the principal; and his death operates of itself a revocation. But the death of an agent does not revoke the authority of a sub-agent appointed by the agent under an authority given him by the principal. If the power be coupled with an interest—as where one gives a person power to sell goods and apply the money for his own benefit, or the like—or it is given for a valuable consideration; and if the continuance of the power is requisite to make the interest available, then it cannot be revoked at the pleasure of the principal. Marriage of a woman revokes a revocable authority given by her while single.

If an agent to whom commercial paper is given for collection be in fault toward his principal, the measure of his responsibility is the damage actually sustained by his principal. He must give notice of the dishonor of such paper to his principal, who must notify the indorsers; and the agent need not notify the indorsers.

If a bank receive notes or bills for collection, although charging no commission, the possible use of the money is consideration enough to make them liable as agents for compensation; that is, liable for any want of due and legal diligence and care. But by the prevailing, though not quite uniform authority, if the bank exercise proper skill and care in the choice of a collecting agent, or of a notary, or other person or officer, to do what may be necessary in relation to the paper committed to them, the bank is not liable for *his* want of care or skill.

In general, an exigency, or even necessity, which would make an extension of the power of an agent very useful to his employer, will not give that extension. A master of a ship, however, may sell it, in case of necessity, or pledge it by bottomry, to raise money. But this is a peculiar effect of the law-merchant, to be considered more fully in the chapter on the Law of Shipping; and no such general rule applies to ordinary agencies.

THE EXECUTION OF AUTHORITY.

Generally, an authority must be conformed to with great strictness and accuracy; otherwise, the principal will not be bound, although the agent may be bound personally. Thus, if A, the agent of B, signs "A, for B," it has been said that this is not the act of B, but of A for him. But if he signs "B, by A," this is the act of B by his instrument A. This strictness is now abated considerably; and, whatever be the form or manner of the signature of a common contract, it will be held to bind the principal, if that were the certain and obvious intent. In the case of sealed instruments, it would seem that the ancient severity is more strictly maintained.

That the authority must be conformed to with strict accuracy, in all matters of substance, is quite certain; but the whole instrument will be considered, in order to ascertain the intention of the parties and the extent of authority. A power given to two cannot be executed by one; but some exception to the rule as to joint power exists in the case of public agencies, and also in many commercial transactions. Thus, either of two factors—whether partners or not—may sell goods consigned to both. And where there are joint agents, whether partners or not, notice to one is notice to both.

In commercial matters, usage, or the reason of the thing, may sometimes seem to add to an authority; so far, at least, as is requisite for the full discharge of the duty committed to the agent in the best and most complete manner. Thus, it is held that an agent, to get a bill discounted, may indorse it in the name of his principal, unless he is expressly forbidden to indorse. So a broker, employed to procure insurance, may adjust a loss under the same; but he cannot give up any advantages, rights, or securities of the assured, by compromise or otherwise, without special authority.

LIABILITY OF AN AGENT.

Generally, an agent makes himself liable by his express agreement, or by transcending his authority, or by a material departure from it, or by concealing his character as agent, or by such conduct as renders his principal irresponsible, or by his own bad faith. If an agent execute an instrument the language of which would hold him personally, he cannot exonerate himself by evidence showing that in fact he signed it as agent, and that this was known to the other party. Because this would be to vary the terms of a written contract by evidence, which is not permitted, as we have before stated. A party with whom an agent deals as agent cannot hold him personally, on the ground that he transcended or departed from his authority, if that party knew at the time that the agent did so. If he exceeds his authority, he is liable on the whole contract, although a part of it is within his authority. One who, having no authority, acts as agent, is personally responsible. But if an agent transcends his authority through an ignorance of its limits, which is actual and honest, and is not imputable to his own neglect of the means of knowledge, it may be doubted whether he would be held. But we think he would be held in some form, if an innocent

party dealing with him as agent would otherwise suffer loss. Thus, if the wife of a person abroad bought family supplies on the authority of her husband, and continued to do so after the death of her husband had in fact revoked the authority, but before his death was known, we should say the wife would be held, if the estate of the deceased was not. But the authorities are not in agreement on this point.

RIGHTS OF ACTION GROWING OUT OF AGENCY.

If an agent intrusted with goods sell the same without authority, the principal may affirm the sale and sue the buyer for the price, or he may disaffirm the sale and recover the goods from the vendee.

In case of a simple contract, that is, a contract not under seal, an undisclosed principal may show that the nominal party was actually his agent, and thus make himself actually a party to the contract, and sue upon it; but if the other party has previously in good faith settled with the supposed agent, or paid him anything, in cash or by charge, or in account, this other party must not lose by the coming forward of the principal. So, too, an undisclosed principal, when discovered, may be made liable on such contract; thus, if A employed B to buy for him of C certain goods for a certain price, and B did so buy them and receive the goods and deliver them to A, and C charged B with them, supposing he bought them for himself, and B failed or refused to pay, and C then discovered that B was only the agent of A in the purchase, C could sue A for the price. Any principal unknown at the time of the contract, and discovered afterwards, would, however, be protected, if his accounts or relations with his agent had been in the meantime changed in good faith, so as to make it detrimental to him to be held liable; as if, for example, in the case before supposed, A had paid B the price, supposing that B had paid or would pay C. If one sells to an agent, knowing him to be an agent, and knowing who is his principal, and elects to charge the goods to the agent alone, he cannot afterwards transfer the charge to the principal.

In any transaction effected through an agent, the knowledge of the principal is said to be the knowledge of the agent; we should doubt whether it were so always, at the instant of the principal's acquiring it; but it certainly is when the principal has had the means of communicating the knowledge to the agent; and therefore the principal will be bound in the same way as if he had communicated what he knew to the agent. A familiar example may be, if one in New Orleans orders insurance to be made on a ship, in a Boston office, by an agent in Boston, and learns that his ship is lost in season to inform his agent, by telegraph or otherwise, before the insurance is made, the insurance is equally void whether he so informs his agent or not. But if he does not know it until it is impossible for him to inform his agent, and prevent his effecting the insurance, the policy, we think, would be good.

Notice to an agent before the transaction goes so far as to render the notice useless, is notice to the principal. And knowledge obtained by an agent in the course of the transaction itself, is the same thing as knowledge of the principal. Notice to an officer or member of a corporation is notice to that corporation, if the officer or member, by appointment, or by usage, had authority to receive it for the corporation; but notice to any member is not necessarily notice to a corporation.

If money be paid to one as agent of a principal who has color of right

the party paying cannot try that right in an action against the agent, but must sue the principal. But where the principal has no right, the action may be brought against the agent, unless he has in good faith paid the money over to his principal, or made himself personally liable to him for it. If he received the money illegally, he may be sued, although he has paid it over; so he may, if he has paid it over when he should not have done so; as if he pays it before a certain condition, precedent to the payment, be performed; or if he paid it over after receiving sufficient notice from the payer not to pay it over to his principal.

If A does an injury to B by conspiring with C, the agent of B, B may generally bring an action against A in his own name; and then may have the evidence of the agent. If an agent and a third person have used the principal's money illegally, as in the purchase of lottery tickets, though the agent could bring no action, the principal may, if personally innocent. And where an agent has been induced, by the fraud of a third person, to pay money which ought not to have been paid, either the agent or the principal may bring an action to recover the money back.

An agent in possession of negotiable paper may be treated with as having full authority to dispose of the same, by any person not having knowledge of the absence or limitation of authority. But if the paper was given only in payment of, or as security for, the pre-existing debt of the agent, there is, perhaps, reason for saying that the receiver does not take it as an indorsee or purchaser generally does, but takes only the right and interest of the party from whom he receives it. Such, at least, has been the decision in some cases, on the ground that this was not a proper business use of negotiable paper. But we are not entirely satisfied either with the reason or the conclusion.

COMMERCIAL CHRONICLE AND REVIEW.

INTEREST IN THE ANNUAL REPORTS—ANTICIPATED APPRECIATION OF THE CURRENCY—NEW TAXES—SPECULATIVE ACTION—TREASURY REPORT—NO MORE U. S. CURRENCY—NEW BANKS—PROSPECTIVE ISSUES—SCARCITY OF CURRENCY—FIVE-TWENTY INVESTMENTS—RATE OF INTEREST—BANK RETURNS—DEPOSITS—CAUSES OF DEAR MONEY—TREASURY DEMAND—RISE IN INTEREST IN EUROPE—NEW BANKS—SPECIE EXPORTS—NEW NATIONAL BANK STOCKS—UNITED STATES STOCKS—PRICES—GOLD INTEREST—IMPORTS—TABLES—COMMODITIES—EXPORTS—BALANCE—SPECIE MOVEMENTS—AMOUNT IN BANKS—EXCHANGE—RATES OF GOLD—DEMAND.

During the first portion of the last thirty days the markets were in a very dull and inanimate condition. Most business people were awaiting the annual message and reports with much anxiety. The chief desire, however, was to see the financial report, and to learn the views and intentions of the Government as to raising the necessary funds the coming year, since the impression had become strong that a policy would be pursued, or some measures would be attempted, looking to an appreciation of the currency of the country. It was understood that such an attempt would be attended by a fall in prices, and such a change in the currents of business as would affect most leading interests seriously. Indeed, it had become known that a tax would be recommended on tobacco and spirits, and those articles were consequently the objects of an active speculation, which carried the prices as high, if not higher, than even the anticipated tax would warrant. General business was, however, to be

affected by such measures as would be adopted to meet the large financial wants of the Government. The report of the Secretary of the Treasury did not, however, fully relieve the public mind in this respect. It took ground, indeed, strongly against any further issues of United States notes, but did not indicate any intention of diminishing the amount now out: on the other hand, it strongly advocated the full operation of the national banking law, which provides for the emission of $200,000,000 of bank notes, redeemable in United States notes, and implied the emission of $50,000,000 of deposit reserve United States notes, as well as $350,000,000 more of interest-bearing legal tenders. The latter are authorized to the extent of $400,000,000, and carry with them the right to be either of themselves a legal tender or convertible into legal tenders, in which case $150,000,000 of United States demand notes are authorized to meet the demand for conversion. The Secretary of the Treasury does not regard the interest-bearing notes as an addition to the circulation, but rather in the light of an investment that will not circulate as money. This view has not been admitted generally, and experience only will decide how far legal tender notes, of denominations from $10 up to $100, but bearing five per cent annual interest, will enter into the circulation before much interest shall have accumulated upon them. A ten dollar note will bear only four cents per month interest. If money was very cheap and five per cent interest not easily procurable, the notes would be readily taken as an investment. But currency is in Chicago 10 @ 15 per cent interest, in Cincinnati 10 per cent, and in New York brisk at 7 per cent. Hence the notes are worth more for circulation than for investment. Under these circumstances the effect of the report seemed to be that there would be a considerable increase to the circulation of the country. Thus outstanding, December—

United States notes	$400,000,000
Due banks, interest Treasury notes	50,000,000
Deposit reserve United States notes	50,000,000
National notes being printed	20,000,000
Total	$520,000,000
Issuable interest Treasury notes	350,000,000
" national currency	200,000,000

This seemed to be the scope of the present power of the Secretary, who asked for no more paper, but authority to issue $900,000,000 stock, payable at any time within forty years. Under the influence of this report, business seemed to revive in some degree, and prices of stocks and commodities rose in value, although money kept pretty firm at seven per cent, with an active demand. The subscriptions to the five-twenty stocks of the Government continued at the rate of more than $1,000,000 per day. The investments in this stock were one cause of the demand for money, sustained by the speculative action induced in some commodities by the projected taxes and by the usual demand for money at the West for moving the crops.

The amount of five-twenties unsold on the 1st Dec. was $111,000,000, and this was reduced to $85,000,000 by the middle of December. Some takers were of opinion that they would command a premium when all

should have been taken up, on the ground that there will be no more gold-bearing notes issued. Inasmuch, however, as the law of March 3d, last, authorized the issue of $900,000,000 more, redeemable in ten to forty years, with gold interest, and the Secretary asks for $600,000,000 more of those bonds, and does not propose any more paper money issues, it is difficult to see how further issues may be avoided. The rate of money continued, however, very high up to the close of the year, there being little disposition to operate. The bank returns, which will be found under the usual head, indicate in the reduction of deposits down to the close of November the payments on account of the loan to the Government. After that account was closed, the deposits began again to accumulate, but without producing much desire to lend on the part of the institutions. The two leading causes of distrust were, in addition to the probable operations of the Treasury, to which we have alluded, the rapid rise of interest in England and on the continent, and the aspect of the new banking law.

The rise of interest in London to 8 per cent, as a consequence of the growing magnitude of the cotton drain of specie to which in former numbers we have called attention, was heightened by the political aspect of affairs in Europe, causing hoarding of gold and a demand for that metal on the part of each of the governments, which seeks to strengthen their reserves in case of possible hostilities. The demand for gold abroad has not so direct an influence upon the money market now as at times when the currency here is on a specie basis. At such times a demand which would cause an unusual export would induce a contraction of loans on the part of the banks, and produce revulsion. At present gold is not currency; its presence here is only as a commodity. It has indeed a purchasing power, but only as other capital. Its exportation would involve its conversion into circulating money and increase the amount seeking investment. The basis of the circulation now is the paper of the Government, and that is not dependent in any degree upon the supply of the metals.

The organization of the new banks under the national law causes a demand for much capital. Of these, some one hundred and sixty have been organized, with an aggregate capital of $25,000,000, in different parts of the country. This is a positive demand for and a locking up of capital before it becomes ready for loans. In New York city an institution of $5,000,000 capital was organized December 21, with the Hon. George Opdyke president. This gentleman has been before the public in a number of essays upon financial matters, and, with Mr. Peter Cooper and other members of the new institution, were a few years since the projectors of a "bullion bank," which designed to operate entirely upon a specie basis.

The organization of these new institutions at a time like the present, when the amount of mercantile credits created in the operations of business is less than usual, is calculated to produce some change in the currents of business, and therefore to throw the old banks upon the defensive, the more so that the Secretary of the Treasury has asked of Congress such discriminating taxation in favor of the new banks as will be likely to force the old ones to wind up. That a conflict is about to arise between the two systems seems very probable, and Congress may be called upon to alter the law so that the public deposits may not be placed with

any banks. It has been, however, proposed by the controller, in order to disarm opposition on the part of the New England banks, that the rate of interest should be made uniform at 7 per cent. This would be an advance of 1 per cent on the rate for those banks, but the taxation is likely to leave them no better than before. All these disturbing elements in the markets have been against the free circulation of capital, and have therefore tended to raise the rate of interest.

The continued and regular demand for Government stocks has aided in forcing upon the banks a contraction of loans. A greatly diminished action was apparent in the stock market, causing prices to decline. There were also a quantity of stocks returned from Europe for sale. They had been sent thither during the rapid rise in bills, but had not found buyers. The Government stocks, however, maintained firm rates as follows:

PRICES UNITED STATES PAPER.

	6's, 1881. Reg.	6's, 1881. Coup.	5's, 1874.	7 3-10, 3 years.	1 year certif. Old.	1 year certif. New.	Gold.	August demand notes.
January 3,..	96¼	98	88¼	102¼	96¼	...	34¼ a 34¾	29
" 10,..	97⅛	98	90	103	97	...	37½ a 38	35
" 17,..	91⅞	91⅞	88¼	101	95	...	49 a 46⅞	43
" 24,..	95	96	90	102	96	...	47 a 48¼	44¼
" 31,..	92½	94	86	101¼	94	...	55 a 60¾	53
February 7,..	92	93¾	85¼	102	94	...	57½ a 57½	55
" 14,..	94	96	87½	102½	96	...	53½ a 53½	51
" 21,..	96¼	97⅝	91¼	103½	95	...	53¾ a 64	62
" 28,..	100½	102½	97	105½	98⅝	...	71 a 71½	71
March 7,..	99⅝	100⅝	94⅝	105	98½	...	52½ a 53	53
" 14,..	104½	104½	98	106½	100	...	54½ a 54½	53
" 21,..	103⅞	104½	96	107	100	...	54½ a 54½	..
" 28,..	104½	105	96½	106½	100	...	41 a 41½	..
April 4,..	104½	105	97½	104⅝	99	...	53 a 53½	..
" 11,..	104½	105	97½	105	100½	...	46 a 52½	..
" 18,..	104	105	96	105	101	...	53 a 53½	..
" 25,..	105	105	96	106	102	99½	151½ a 151½	..
May 2,..	105½	106½	97½	106½	102	99½	150 a 150⅝	..
" 9,..	106	107	97	106	101½	99½	152½ a 152½	..
" 16,..	108	108	97⅝	107	101⅝	99⅝	149 a 149⅝	..
" 23,..	108½	108½	97⅝	107½	101½	99½	148⅝ a 149	..
" 30,..	108	108	97½	107	101⅝	99½	144⅝ a 144⅞	..
June 6,..	104	108½	99	107	101⅝	97½	146 a 146½	..
" 13,..	104⅝	108⅝	99	106	101½	98	148 a 148½	..
" 20,..	103⅝	108½	98½	106	101	98⅝	142½ a 143⅝	..
" 27,..	102	107½	98	104	100½	97	146½ a 146⅝	..
July 11,..	104½	105	97½	106	100⅝	98⅝	132½ a 132½	..
" 18,..	104½	106	98	106½	101	99	125 a 125½	..
" 25,..	105½	106½	97	106⅝	100⅞	98½	126 a 126½	..
August 1,..	104⅞	105½	96½	106½	101	99½	128⅝ a 127	..
" 8,..	105½	106½	96½	106⅝	101	99½	126½ a 127	..
" 15,..	105½	105½	97	106⅝	101	99⅝	125 a 125½	..
" 22,..	106	107½	97	107	101½	99½	124½ a 125	..
" 29,..	106	107	95	107	101½	99⅝	124½ a 124	..
Sept. 5,..	106	106	95	106	100½	99⅝	132½ a 133	..
" 12,..	105	106½	95	106	101	99½	128 a 129	..
" 19,..	106	106½	96	106½	101⅝	99⅝	133½ a 133⅝	..
" 26,..	106½	106½	96	106⅝	101½	99⅝	139⅝ a 139⅝	..
October 3,..	107	106⅝	95	106½	101⅝	99⅝	142½ a 142⅝	..
" 10,..	107⅛	108	97	106½	101½	99⅝	146⅝ a 147	..
" 17,..	107½	109	97	106⅝	102½	99⅝	151½ a 152	..
" 24,..	108	110	98	107½	102	99⅝	145⅝ a 146	..
" 31,..	108½	...	98½	107⅝	102	99½	146½ a 146½	..

		6's, 1881. Reg.	6's, 1881. Coup.	5's, 1874.	7 3-10, 3 years.	1 year certif. Old.	1 year certif. New.	Gold.	August demand notes.
Nov.	7,..	108	109	98	107	101¼	98¼	147⅛ a 147½	..
"	14,..	108¼	109	97½	106¼	101¼	98¼	146⅞ a 147	..
"	21,..	108	108⅝	98	106¼	102	98	150 a 150⅝	..
"	27,..	108	100	98	106¼	101¼	98	143 a 144½	..
Dec.	5,..	104	109	98	106¼	101⅛	98	152½ a 152½	..
"	12,..	104⅛	109	98	106¼	102	98	150½ a 150⅝	..
"	19,..	104¼	109⅛	98	106¼	102¼	98⅛	151⅛ a 151½	..
"	26,..	104⅛	110	99	106⅛	102¼	98	151¼ a 152	..

The five-twenties, for which a steady demand was sustained, sold at par with the accumulated interest. There were some sales of 5 per cent Texan Indemnity stock, which, to the extent of $3,400,000, matures January 1, 1865, and which will be paid in gold at $1 25. The one-year certificates, payable in gold, are maturing, and are replaced by the "new" certificates payable in paper. All of the former will have matured by the 3d of March. The interest on the Government stocks payable January 1, amounts to about $3,500,000, and the Treasury holds about $11,000,000, which, with the customs receipts, which average $1,000,000 per week, will suffice to meet the interest on the 1st, the maturing interest on the one-year certificates, and the interest on the 7.30's due Feb. 19.

The importations at the port of New York for the month of November were much larger than for the corresponding month last year, and the quantity put upon the market was nearly 75 per cent more than in that year, and nearly three times as much as in the previous year. The return is as follows:

IMPORTS, PORT OF NEW YORK.

	Specie.	Free goods.	Entered for Consumption.	Entered for Warehouse.	Total.
January	$101,906	$2,413,649	$8,741,227	$4,482,794	$15,739,676
February	213,971	783,561	7,372,539	3,657,775	12,037,846
March	123,616	1,328,806	11,461,572	3,454,530	16,370,524
April	107,061	1,328,216	9,493,830	6,456,208	17,385,315
May	197,217	710,021	7,980,281	5,437,404	14,324,923
June	109,997	780,963	6,328,581	5,377,885	12,597,426
July	182,245	683,880	9,080,210	4,227,265	14,173,600
August	113,877	509,781	10,004,580	4,409,891	15,038,129
September	78,231	786,864	11,203,535	3,431,310	15,499,940
October	78,053	741,888	11,835,569	4,189,457	16,894,967
November	103,144	665,207	10,326,929	4,950,415	16,045,695
Total 11 months	$1,409,318	$10,732,926	103,878,853	$54,467,382	$170,488,479
" 1862	1,311,961	21,341,121	97,652,911	41,273,796	161,579,699

The quantity put on the market is represented by the amount entered for consumption and that drawn from warehouse. The former for the month was $10,326,929, and the latter, $4,084,183—together, $14,411,112 against, in the same month last year, $8,480,168, an increase of $5,930,944. A considerable portion of this increase was composed of cotton, wool, hides, and other raw material which had entered largely into consumption through the short supplies of Southern cotton. That article is not only imported from East India and elsewhere in considerable quantities, but wool, flax, linen, etc., are also in large demand as substitutes for cotton. The reduced stocks of goods and their advanced prices had stimulated the demand for raw materials, which had swollen the amount while they had

changed the character of imports. The receipts from customs duties have been large for the month, reaching $5,075,846, and are about 38 per cent average.

The exports from the port for the month of November are less than last year in nominal amount by $2,500,000, and in actual value $3,000,000, arising mostly from the decline in the exports of breadstuffs, of which the home demand sustains the price above the export level. The exports have been as follows:

EXPORTS, PORT OF NEW YORK.

		Foreign.			
	Specie.	Free.	Dutiable.	Domestic.	Total.
January	$4,624,574	$73,111	$668,275	$14 829,398	$19,695,351
February	3,965,664	43,889	610,009	17,780,586	22,400,148
March	6,385,442	213,685	758,266	16,137,689	23,695,082
April	1,972,834	74,949	376,224	11,581,933	14,004,940
May	2,115,679	101,337	602,254	13,183,510	16,002,780
June	1,367,774	49,380	298,067	14,780,072	16,495,293
July	5,268,881	77,232	448,601	15,298,073	21,092,787
August	2,465,361	90,813	231,774	10,666,959	14,454,809
September	3,480,885	55,400	238,972	11,717,761	15,492,518
October	6,210,156	145,325	350,614	14,513,454	21,219,549
November	5,438,363	56,534	383,948	11,413,591	17,292,436
Total 11 months	$44,495,013	$986,657	$4,966,004	$151,403,026	$201,845,700
" 1862....	55,763,909	2,745,359	4,548,481	194,374,479	197,432,228

The imports and exports for the month indicate the following results in respect to the specie balance:

	1863.	1863.
Imports	$10,309,393	$16,045,695
Exports	14,390,691	11,854,673
Price, specie	133	150
Specie value of exports	10,793,018	7,902,715
Excess imports	.....	8,142,980
Specie exports	6,213,251	5,438,363

This considerable adverse balance was in some degree met by sterling from New Orleans and from California. There was, however, on one hand a hesitation about remitting specie, under the impression that its price would fall, and, on the other, it was supposed that the demand for the metal abroad would raise its price. The shipment was as follows:

SPECIE AND PRICE OF GOLD.

	1862.		1863.			
	Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
January 8.	.....	442,147	.....	681,448	35,954,550	34¼ a 34⅜
" 10.	885,928	1,035,025	1,277,788	726,746	36,770,746	34 a 39
" 17.	.....	547,703	.....	1,380,247	37,581,465	40 a 49
" 24.	627,767	322,918	678,841	780,816	38,549,794	47 a 50⅜
" 31.	.....	310,484	.....	1,331,027	38,894,840	48⅞ a 60½
February 7.	854,000	976,235	801,860	1,277,000	38,243,839	57½ a 57½
" 14.	614,146	1,156,154	359,978	1,152,546	38,426,460	53½ a 53½
" 21.	759,247	934,512	.....	520,017	37,981,310	54 a 64
" 28.	741,109	510,774	285,394	1,377,016	39,512,256	71 a 72
March 7.	679,074	585,236	1,243,551	733,643	39,705,089	52½ a 53
" 14.	677,058	477,335	.....	3,540,550	36,110,085	54½ a 54½
" 21.	.....	540,968	249,514	1,201,907	33,955,122	53 a 54½
" 28.	490,368	779,564	159,105	1,050,156	34,317,691	41 a 42

		1862.		1863.			
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem on gold.
April	4.	581,293	673,826	250,778	473,385	$34,257,121	53 a 54
"	11.	.....	1,505,728	250,728	607,059	35,406,145	46 a 52½
"	18.	617,279	693,436	217,602	158,437	36,761,696	52 a 53½
"	25.	635,546	1,151,300	256,604	629,855	37,175,067	47 a 51½
May	2.	410,804	712,275	.....	294,998	36,846,528	48 a 50½
"	9.	484,019	1,574,166	205,057	451,827	38,102,633	58½ a 47
"	16.	604,652	1,093,031	.....	661,996	38,556,552	49 a 49½
"	23.	501,204	938,032	258,570	488,745	38,544,865	48¾ a 49
"	30.	224,911	881,452	.....	279,994	37,632,634	44¾ a 44½
June	6.	553,035	1,647,299	318,066	411,483	37,241,670	46 a 46½
"	13.	352,391	1,990,327	.....	285,364	37,884,128	48 a 48¾
"	20.	612,461	3,156,988	.....	522,147	38,314,206	42 a 43½
"	27.	393,212	3,094,101	187,082	134,432	38,271,702	46 a 46½
July	4.	.....	2,647,060	.....	347,807	38,302,826	44 a 44½
"	11.	641,451	2,424,916	254,947	401,936	38,712,397	32½ a 32½
"	18.	441,179	1,846,023	.....	2,190,781	38,254,427	23 a 23½
"	25.	.....	784,537	.....	1,725,748	35,910,227	26 a 26½
August	1.	G. Gate lost.	748,523	270,182	480,374	33,746,681	28½ a 29
"	8.	964,422	890,552	.....	530,044	33,156,548	26½ a 27
"	15.	.....	700,431	313,612	1,210,230	32,874,913	25 a 25½
"	22.	1,089,111	919,825	.....	238,398	31,520,499	24½ a 25
"	29.	.....	1,127,644	231,854	1,379,710	32,030,055	24½ a 24½
Sept.	5.	807,063	551,097	.....	309,799	31,989,381	32½ a 33
"	12.	.....	1,042,835	279,043	852,752	32,018,107	28 a 29
"	19.	934,415	490,865	193,584	535,796	31,014,411	32½ a 33
"	26.	758,286	996,892	277,380	1,411,611	30,008,566	39 a 39½
October	3.	.....	713,075	.....	803,583	30,064,614	42½ a 42¾
"	10.	807,616	2,255,513	268,282	2,555,656	29,927,281	46¾ a 47
"	17.	.....	1,714,551	.....	1,206,950	28,882,473	51½ a 52
"	24.	768,121	2,024,380	267,911	1,243,273	28,804,281	45¾ a 46
"	31.	.....	351,547	.....	585,302	28,124,921	46½ a 46½
Nov.	7.	.....	711,606	547,338	616,017	28,783,281	47¼ a 47¼
"	14.	708,731	1,894,708	281,340	395,796	29,177,849	47 a 47½
"	21.	921,207	2,458,529	261,730	1,006,907	28,054,514	46½ a 54½
"	28.	.....	797,360	265,101	1,331,057	27,555,175	48 a 49
Dec.	5.	735,112	1,469,087	.....	1,771,021	27,099,695	48½ a 48½
"	12.	.....	874,296	305,650	1,409,455	26,489,854	48½ a 51
"	19.	.....	999,438	297,899	1,466,497	25,789,860	49½ a 51½
"	26.	Ariel.	286,880	.....	730,806	25,541,603	51½ a 52½
Total....		10,171,916	43,237,818	11,037,229	49,882,515	.....	

This return does not include $20,000,000 sent on French account to Mexico. The outward current, however, strengthened as the year drew to its close. The demand for the custom-house, which was about one million per week, was to some extent met by the payments of gold interest on maturing one-year certificates. There were also some receipts of coin from New Orleans, from California, and from the interior; hence the bank account showed a slower decline in specie than the large export would indicate.

The rise in the rate of interest abroad, being 9 @ 10 per cent in London, and the uncertainty of the future caused a desire to buy short bills, and the rate ranged ½ @ 2 per cent higher than for 60-day bills.

The demand for sterling was steady, and as the speculative action subsided and the market worked clear of bills held for speculation, and which generally bring somewhat less than newly drawn bills, the rates became more firm, as follows:

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 3,	146 a 147⅛	3.85 a 3.80	56 a 56⅛	56 a 56⅛	49⅛ a 49⅛	98 a 98⅛
" 10,	149 a 152	3.72½ a 3.67½	56 a 58	57⅛ a 58⅛	50⅛ a 51½	99 a 100
" 17,	160 a 162	3.52½ a 3.45	60½ a 61½	61 a 62½	54 a 55½	108 a 110
" 24,	162½ a 163	3.50 a 3.45	61 a 61½	61½ a 62	54 a 54⅝	107 a 108⅛
" 31,	171 a 177	3.32 a 3.15	65½ a 66½	65 a 67	57 a 58⅝	114 a 117
Feb. 7,	169 a 173	3.30 a 3.25	65 a 65½	65 a 65½	57 a 57⅝	114 a 116
" 14,	170 a 171	3.32 a 3.27	65 a 65⅛	65 a 65½	56⅝ a 57½	113½ a 114½
" 21,	171 a 179½	2.20 a 3 12	67 a 68½	68 a 68½	59 a 60½	118½ a 119½
" 28,	185 a 188	3.10 a 3.00	67½ a 71	70 a 71	61⅝ a 62½	123 a 124
Mar. 7,	167 a 169	3.37½ a 3.30	64 a 64	65 a 66	55 a 55½	111 a 113
" 14,	168 a 171	3.35 a 3.30	64 a 64	64½ a 65½	55⅝ a 56⅝	112 a 114
" 21,	169½ a 171½	3.37½ a 3.27½	63½ a 63½	63½ a 64½	56 a 57	113 a 114
" 28,	157 a 161	3.57 a 3.47	61 a 62	61 a 62	53 a 54	107 a 108
April 4,	168 a 172	3.40 a 3.25	62½ a 63½	62½ a 64	55½ a 57	111 a 114
" 11,	158 a 162	3.55 a 3.45	61 a 62	61 a 62	53½ a 54½	106 a 108
" 18,	165 a 167½	3.37½ a 3.45	62½ a 62⅝	62½ a 63	54½ a 55½	108 a 110
" 25,	163 a 165	3.47½ a 3.50	61 a 61½	61½ a 62	53⅝ a 54⅝	107 a 108
May 2,	163 a 165	3.47½ a 3.42	61½ a 62½	61½ a 62½	53½ a 54½	107 a 108
" 9,	168 a 170	3.42½ a 3.32	62½ a 63	62½ a 63½	55½ a 56½	110 a 112
" 16,	162½ a 164	3.50 a 3.45	61½ a 62	61⅝ a 62½	54 a 55	107 a 109
" 23,	161 a 163	3.52 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108
" 30,	156½ a 158	3.62½ a 3 55	59⅝ a 60½	60 a 60½	52½ a 53	104½ a 106
June 6,	158½ a 160	3.57½ a 3.52½	59⅝ a 61½	60 a 60½	52⅝ a 53½	105 a 106
" 13,	156 a 161	3.55 a 3.47½	59½ a 61	60 a 61½	52½ a 54	104 a 107
" 20,	155 a 157	3.62 a 3.57½	58½ a 59	58½ a 59½	51 a 52	103 a 104
" 27,	159 a 160½	3.55 a 3.50	59⅝ a 60½	60 a 60⅝	52½ a 52⅝	106½ a 107
July 11,	143 a 146	3.95 a 3.85	54 a 54½	54 a 55½	47½ a 48½	94 a 96
" 18,	138 a 139	4.07 a 4.02	51½ a 52	50 a 52½	46½ a 46⅝	92 a 93
" 25,	138 a 139	4.10 a 4.05	51⅝ a 52½	51⅝ a 52½	45½ a 46½	91 a 92
Aug. 1,	140 a 141⅝	4.06½ a 4.00	52½ a 53	52½ a 53½	46½ a 47½	92½ a 93½
" 8,	139½ a 140½	4.06 a 4.00	52½ a 52½	52½ a 52⅝	46½ a 47	92 a 92⅝
" 15,	137½ a 138½	4.12½ a 4.08⅝	51½ a 52	52 a 52½	45½ a 46	91½ a 92
" 22,	137½ a 138½	4.12½ a 4.08⅝	51⅝ a 52½	52 a 52½	45½ a 45½	90½ a 91½
" 29,	135½ a 136⅝	4.10 a 4.15	51 a 51½	21½ a 51⅝	45 a 45½	90 a 91
Sept. 5,	141 a 147	4.00 a 3 90	52½ a 56½	52½ a 52½	46½ a 48	95½ a 96½
" 12,	142 a 144½	3.92½ a 4.00	53 a 53½	53½ a 54	47 a 48	93½ a 94½
" 19,	146 a 147½	3.87½ a 3.83	54½ a 55	54½ a 55½	48 a 48½	95⅝ a 97
" 26,	151 a 152½	3.77½ a 3.71½	56½ a 56⅝	56⅝ a 57	49½ a 50	99 a 100
Oct. 3,	154½ a 157½	3.65 a 3.57	58 a 59	58½ a 59½	51½ a 52½	103 a 104
" 10,	160½ a 162	3.55 a 3.48½	60½ a 61	60½ a 61½	53 a 53½	106½ a 107½
" 17,	168½ a 172	3.38⅜ a 3.27½	63½ a 64	64 a 64½	56 a 56½	111½ a 113
" 24,	158 a 159	3.56½ a 3.51½	59⅝ a 60½	60 a 60½	53 a 53⅝	105 a 106
" 31,	158½ a 159⅝	3.69 a 3.52½	59 a 60	60 a 60½	52½ a 53½	105½ a 106½
Nov. 7,	161 a 163	3.51½ a 3 46½	61 a 61½	61½ a 62	53 a 54	106 a 108
" 14,	161 a 162	3.52½ a 3.47½	60⅝ a 61½	61 a 61½	53 a 53⅝	106½ a 106½
" 21,	168 a 469½	3.36½ a 3.32½	62 a 63	63 a 63½	55 a 56	110 a 111½
" 28,	157 a 158	3.62½ a 3.56½	59 a 60½	59⅝ a 60½	51½ a 52½	105 a 106½
Dec. 5,	160 a 161½	3.50 a 3.46	60½ a 61	61 a 61½	53½ a 54	107 a 108
" 12,	164 a 165	3.45 a 3.41	61⅝ a 62	62 a 62½	55 a 55½	109 a 109⅝
" 19,	164 a 166	3.45 a 3.40	62½ a 62	62½ a 63	55½ a 55⅝	109 a 110½
" 26,	165½ a 166½	3.43½ a 3.40	62½ a 62⅝	62½ a 63	55½ a 55⅝	110 a 111

The position of the Bank of France and other institutions in Europe indicate that a demand for gold would arise of a character which would diminish here the gold price for bills.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

BANK RETURNS AND BANK ITEMS.

CITY BANK RETURNS.—The bank returns are improving, the loans having very greatly decreased, and the banks reached a position of greater safety. Still the money market is very stringent. This is undoubtedly owing in part to the high rates paid in England and on the continent. The loans in the New York city banks have decreased thirty-four millions since October 17th, and the deposits about forty-five millions since September 19th.

Below will be found our usual returns for the three cities, brought down to the latest dates:

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan.*, 1863, $69,494,577; *Jan.*, 1862, $69,493,577.)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 3,....	$173,810,009	$35,954,550	$9,754,355	$159,163,246	$186,861,762
" 10,....	175,816,010	36,770,746	9,551,563	162,878,249	249,796,489
" 17,....	176,606,558	37,581,465	9,241,670	164,666,003	314,471,457
" 24,....	179,288,266	38,649,794	9,083,419	168,269,228	298,861,366
" 31,....	179,823,501	38,894,840	8,906,110	169,951,376	.....
February 7,....	179,892,161	38,243,839	8,780,154	166,342,777	302,352,571
" 14, ...	178,103,592	38,426,460	8,756,217	167,720,880	265,139,104
" 21,....	178,335,880	37,981,310	8,752,536	170,103,758	291,242,929
" 28,....	179,958,842	39,512,256	8,739,969	173,912,695	340,574,444
March 7,....	181,098,322	39,705,089	8,693,175	174,689,212	344,484,442
" 14,....	177,875,949	36,110,085	8,657,016	172,944,034	307,370,817
" 21,....	173,829,479	33,955,122	8,609,723	167,004,466	277,881,851
" 28,....	172,448,526	34,317,691	8,560,602	163,363,846	281,326,258
April 4,....	173,038,019	34,257,121	8,348,094	160,216,418	287,847,704
" 11,....	170,845,283	35,406,145	8,178,091	159,894,731	264,468,687
" 18,....	169,132,822	36,761,696	8,039,558	164,122,146	259,417,565
" 25,....	171,079,322	37,175,067	7,555,549	167,863,999	258,654,781
May 2,....	177,364,956	36,846,528	7,201,169	167,696,916	355,557,782
" 9,....	180,114,983	38,102,633	7,080,565	168,656,513	367,560,731
" 16,....	180,711,072	38,556,642	6,901,700	168,879,180	353,346,664
" 23,....	181,319,851	38,544,865	6,780,678	167,655,658	380,304,748
" 30,....	181,825,856	37,692,634	6,494,375	166,261,121	307,680,918
June 6,....	182,745,080	37,241,670	6,341,091	162,767,154	289,757,539
" 13,....	180,808,828	37,884,128	6,210,404	159,551,150	302,377,276
" 20,....	177,083,295	38,314,206	6,120,252	157,128,301	259,483,221
" 27,....	175,682,421	38,271,702	6,004,177	158,539,308	264,819,856
July 4,....	174,837,364	38,302,826	5,998,914	158,642,825	267,785,773
" 11,....	175,022,768	35,566,395	5,927,071	160,733,496	319,945,652
" 18,....	173,126,387	38,264,427	5,880,628	163,319,544	251,168,769
" 25,....	173,036,336	35,910,227	5,775,188	164,133,549	284,664,421
August 1,....	176,208,597	33,746,681	5,700,452	161,173,146	292,211,821
" 8,....	176,559,840	32,186,548	5,706,024	155,268,116	297,384,006
" 15,....	175,305,471	32,874,913	5,613,177	155,950,043	298,936,160
" 22,....	175,713,139	31,520,499	5,545,970	156,588,095	373,755,630
" 29,....	176,748,618	32,080,055	5,475,964	156,671,695	392,404,680
Sept. 5,....	178,477,037	31,989,381	5,456,016	158,110,687	394,814,312
" 12,....	200,028,980	32,018,107	5,457,366	178,538,622	371,510,559
" 19,....	207,679,456	31,014,411	5,414,643	185,576,199	343,263,949
" 26,....	204,501,984	30,008,566	5,377,886	186,080,773	354,208,025

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
October 3,....	206,442,874	30,064,614	5,875,586	182,658,494	375,932,633
" 10,....	206,906,903	29,927,281	5,522,178	180,037,263	399,288,092
" 17,....	206,638,749	28,382,473	5,618,764	178,050,317	427,981,203
" 24,....	204,013,870	28,804,915	5,799,097	172,487,596	469,175,465
" 31,....	203,222,418	28,124,921	5,971,733	171,176,254	443,205,385
Nov. 7,....	193,436,841	28,783,281	6,100,335	159,499,193	459,438,709
" 14,....	182,044,530	29,177,049	6,095,932	151,770,498	441,451,540
" 21,....	176,702,428	28,054,514	6,122,379	145,248,846	460,676,757
" 28,....	173,515,860	27,555,175	6,126,411	139,645,665	390,824,960
Dec. 5,....	172,957,251	27,099,695	6,178,414	138,195,914	456,633,341
" 12,....	172,585,406	26,438,354	6,166,077	140,015,995	394,140,168
" 19,....	173,492,886	25,789,860	6,139,301	141,543,939	413,645,071
" 26,....	172,688,163	25,541,603	6,125,172	139,660,287	344,355,135

BOSTON BANKS.

Boston Banks. (*Capital, Jan.*, 1863, $38,231,700; *Jan.*, 1862, $38,231,700.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,..	$77,389,046	$7,672,028	$8,190,496	$33,872,648	.....	....
" 12,..	77,427,173	7,751,000	8,373,000	33,063,800	17,006,000	13,520,000
" 19,..	76,624,700	7,710,600	8,199,600	33,352,000	16,547,800	13,727,700
" 26,..	76,354,000	7,710,700	8,008,500	33,347,000	16,811,700	13,958,000
Feb. 2,..	76,496,800	7,685,000	8,365,000	34,076,800	16,889,000	14,490,000
" 9,..	78,421,000	7,707,000	8,074,000	35,178,600	16,932,000	14,183,000
" 16,..	78,431,000	7,794,000	8,001,000	34,903,000	17,070,700	14,095,500
" 23,..	78,782,600	7,624,000	8,002,000	34,965,500	17,331,000	14,583,800
Mar. 2,..	79,127,500	7,553,000	8,001,980	35,245,500	17,523,500	15,004,000
" 9,..	79,274,700	7,582,000	8,225,000	35,215,000	17,340,400	14,446,500
" 16,..	79,636,134	7,609,238	7,780,062	32,955,149	17,280,800	13,434,500
" 30,..	77,935,000	7,572,600	7,593,800	31,604,500	17,074,400	11,601,300
April 6,..	76,933,600	7,703,800	7,963,500	32,687,060	15,444,000	12,260,600
" 13,..	74,551,013	7,812,895	7,762,915	32,494,822	14,557,000	12,947,800
" 20,..	73,459,160	7,799,315	7,278,506	33,209,742	14,132,000	12,653,000
" 27,..	73,558,000	7,338,800	7,040,000	32,781,500	13,303,000	11,966,700
May 4,..	73,218,155	7,354,731	7,433,496	31,949,762	13,287,700	11,622,600
" 11,..	73,062,789	7,847,849	7,688,233	31,309,985	13,147,000	11,800,000
" 18,..	73,068,598	7,794,046	7,167,327	32,192,770	12,863,500	11,732,000
" 25,..	72,874,000	7,777,000	7,011,700	33,000,000	12,787,000	11,748,000
June 1,..	73,424,000	7,751,000	6,913,000	32,575,000	12,735,000	10,704,500
" 8,..	73,592,000	7,738,557	7,030,286	31,728,285	12,626,700	10,874,700
" 15,..	73,237,000	7,730,000	7,109,000	31,477,600	12,235,500	10,541,000
" 22,..	73,351,000	7,697,000	7,344,500	31,355,800	12,504,600	10,914,700
" 29,..	73,421,084	7,683,987	7,040,624	31,477,596	12,388,000	10,900,000
July 6,..	73,548,918	7,744,827	7,473,800	31,509,263	12,233,000	10,891,000
" 13,..	73,485,675	7,774,991	7,508,442	30,277,502	12,193,000	10,712,000
" 20,..	73,421,000	7,684,000	7,401,500	29,287,000	13,802,000	10,154,600
" 27,..	72,850,716	7,811,513	7,246,797	28,011,571	12,950,000	9,864,300
Aug. 3,..	72,390,364	7,793,916	7,317,402	28,384,096	12,655,000	9,646,000
" 10,..	71,997,503	7,798,276	7,440,212	28,247,266	12,822,678	10,135,180
" 17,..	71,860,078	7,813,497	7,198,917	27,898,073	12,765,527	9,603,257
" 24,..	71,447,520	7,780,905	7,303,757	27,510,154	12,662,321	9,573,673
" 31,..	71,478,116	7,752,516	7,227,704	27,762,955	12,614,000	9,820,500
Sept. 7,..	71,717,995	7,637,402	7,527,036	28,778,498	12,379,000	10,874,700
" 14,..	75,599,232	7,591,589	7,600,556	31,143,588	13,424,000	11,097,000
" 21,..	79,595,740	7,595,358	7,604,161	34,509,214	13,565,000	11,487,500
" 28,..	78,358,387	7,707,106	7,620,371	34,495,540	13,315,000	12,138,000
Oct. 5,..	77,798,427	8,042,062	8,107,720	35,485,811	13,498,000	13,765,500
" 12,..	78,160,899	7,991,999	8,399,769	35,734,989	13,909,500	14,128,700
" 19,..	78,216,435	7,880,832	8,323,451	36,127,597	13,506,500	13,967,000
" 26,..	78,746,728	7,850,547	8,086,072	36,682,299	13,909,500	14,128,700
Nov. 2,..	79,378,840	7,841,334	8,606,626	36,775,102	13,381,000	12,206,000

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
" 9,..	76,554,017	7,975,057	9,527,161	34,557,547	12,668,000	12,172,000
" 16,..	76,412,358	7,908,760	9.618,158	33,165,071	11,726,600	12,069,000
" 23,..	75,544,964	7,794.227	9,486,925	32,960,173	11,198,600	11,743,600
" 30,..	75,612,363	7,729,708	9,745,094	32,866,287	11,640,300	12,420,000
Dec. 7,..	74,741,227	7,728,551	10,620,994	31,635,785	11,905,500	12,230,000
" 14,..	75,251,334	7,659,676	9,733,910	31,036,733	11,905,500	12,230,000
" 21,..	74,848,297	7,573,741	9,704,087	31,391,629	12,371,000	12,457,000

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan.*, 1863, $11,740,080; 1862, $11,970,130.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	$37,679,675	$4,510,760	$4,504,115	$28,429,189	$6,948,785	$1,994,928
" 12,...	37,533,757	4,544,786	4,450,676	28,018,792	6,890,963	1,848,932
" 19,...	37,416,694	4,549,369	4,382.520	27,877,069	7,050,847	2,275,905
" 26,...	37,479,712	4,572,419	4,284,947	28,773,517	6,755,980	2,638,985
Feb 2,...	37,268,894	4,562,580	4,181,503	29,231,753	6,698,210	2,909,857
" 9,...	37,336,367	4,319,706	4,039,918	28,062,164	6,953,215	2,518,036
" 16,...	37,710,851	4,272,347	3,888,185	28,759,049	7,452,563	2,482,973
" 23,...	37,720,460	4,276,761	3,772,781	29,342,596	7,413,249	2,703,196
Mar. 2,...	37,901,080	4,267,626	3,696,097	30,178,518	7,185,670	2,758,852
" 9,...	38.603,871	4,249,035	3,608,870	30,679,259	7,100,258	2,499,139
" 16,...	39,260,028	4,247,817	3,534,880	30,549,587	7,476,603	1,939,449
" 23,...	39,458,384	4,247,688	3,295,862	30,106,135	7,418,482	1,935,014
" 30,...	38,937,612	4,311,704	3,369,194	29,171,283	6,504,758	2,158,007
Apr. 6,...	37,516,520	4,359,252	3,374,417	29,531,559	5,768,558	2,770,129
" 13,...	36,250,402	4,343,242	3,296,685	30,117,527	5,953,809	3,014,229
" 20,...	36,295,644	4,343.988	3,185,042	31,059,644	5,806,809	3,018,727
" 27,...	36,482,058	4,346,377	3,078,921	31,021,799	5,448,124	2,559,868
May 4,...	36,587,294	4,355,324	2,989,428	30,859,231	5,328,898	2,891,087
" 11,...	36,593,179	4,359 365	2,901,600	30,949,781	4,975,939	2,542,792
" 18,...	36,887,301	4,357,119	2,866,121	31,892,308	4,640,623	2,536,279
" 25,...	37,116,093	4,357,169	2,808,109	32,455,953	4,623,392	2,480,714
June 1,...	37,143,937	4,357,021	2,706,953	31,888,768	4,707,278	2,363,548
" 8,...	37,157,769	4,357,076	2,649,283	31,549,389	4,645,712	2,315,744
June 15,...	37,228,627	4,357,025	2,621,098	31,648,959	4,914,425	2,892,278
" 22,...	37,219,216	4,356,744	2,596,115	31,293,830	4,868,495	2,065,913
" 29,...	37,250,665	4,359,543	2,556,855	31,466,204	5,116,692	1,820,600
July 6,...	35,936,811	4,360,745	2,564,558	28,504,544	5,060,096	1,961,814
" 13,...	34,866,842	4,360,003	2,507,253	28,701,813	4,784,348	2,530,552
" 20,...	34,662,966	4,361,999	2,482,986	29,931,608	4,580,822	2,981,867
July 27,...	34,517,347	4,227,448	2,418,463	30,448,480	4,805,045	3,034,009
Aug. 3,...	34,390,179	4,187,056	2,417,789	30,799,448	4,963,290	2,772,717
" 10,...	34,645,243	4,112,013	2,380,720	30,513,961	4,740,391	2,538,096
" 17,...	35,390,179	4,112,542	2,353,396	29,959,127	5,161,573	2,158,440
" 31,...	35,296,376	4,113,309	2,292,607	30,195,167	4,551,031	2,219,071
Sept 7,...	35,773,596	4,113,162	2,258,306	30,654,672	4,574,037	1,997,534
" 14,...	39,575,410	4,103,115	2,223,533	33,626,702	4,997,015	1,801,678
" 21,...	40,175,698	4,102,701	2,224,632	33,039,035	5,079,742	1,802,889
" 28,...	39,485,313	4,116,683	2,224,374	32,402,783	4,616,754	1,822,228
Oct. 5,...	38,798,830	4,227,265	2,193,000	32,258,554	4,427,097	1,976,561
" 12,...	39,046,434	4,239,551	2,169,314	32,536,502	4,446,684	2,035,819
" 19,...	38,833,337	4,238,677	2,159,638	32,684,915	4,361,072	1,926,707
" 26,...	38,683,057	4,238,519	2,123,617	32,505,953	4,337,835	1,911,956
Nov. 2,...	39,180,421	4,164,801	2,106,284	31,805,965	4,697,888	1,943,382
" 9,...	38,647,125	4,167,671	2,109,521	30,812,091	4,336,929	2,051,061
" 16,...	37,376,645	4.158,884	2,089,990	30,732,600	4,076,614	1,925,700
" 23,...	37,236,183	4,153,768	2,085,634	30,186,124	4,050,351	2,000,333
" 30,...	35,583,624	4,166,057	2,098,512	29,662,167	3,933,696	2,203,019
Dec. 7,...	36,414,704	4,165,939	2,104,174	29,374,165	3,359,180	1,923,878
" 14,...	35,798,343	4,167,144	2,096,106	28,937,137	4,205,599	2,106,832
" 21,...	35,696,114	4,173,206	2,077,921	29,419,486	4,228,958	2,170,269

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned:

June 22	$6,082,729	Sept 28	$6,375,334
" 29	6,952,150	Oct. 5	6,273,091
July 6	5,953,622	" 12	6,342,746
" 13	6,916,751	" 19	6,525,827
" 20	7,066,593	" 26	6,775,401
" 27	7,903,782	Nov. 2	6,101,541
Aug. 3	8,480,762	" 9	5,416,212
" 10	7,780,640	" 16	6,185,740
" 17	7,530,339	" 23	5,655,248
" 31	6,853,540	" 30	5,496,397
Sept. 7	7,382,810	Dec. 7	5,472,113
" 14	7,081,480	" 14	5,699,105
" 21	6,573,404	" 21	5,921,604

EUROPEAN FINANCES—BANK OF ENGLAND.—During the past month the minimum bank rate of discount of the Bank of England has been raised to eight per cent. This became necessary on account of the rise in the India exchanges. No new advance by the Bank of France has yet been made, although expected, the rate still remaining at seven per cent. It is stated that the stock of coin and bullion in the Bank of France is not so low as to occasion uneasiness, it being about 204,000,000f. As the returns for the month are not yet received, this statement cannot be relied upon. This rapid rise in the value of money in England, being four per cent since November 28, must cause embarrassment and trouble, if not failure, among Anglo-American banking firms, which will react disastrously on this side of the Atlantic, unless proper precautions are taken.

The following comparative table will be of interest, showing as it does a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with the date of our last returns, December 2d:

At corresponding dates with the week ending December 2, 1863.	1861.	1862.	1863.
Circulation, including bank post bills	£20,748,662	£20,554,545	£21,685,732
Public deposits	5,206,334	8,195,360	7,234,894
Other deposits	13,273,193	13,649,958	12,924,545
Government securities	10,892,859	11,034,517	10,710,330
Other securities	16,224,428	19,333,241	21,173,559
Reserve of notes and coin	9,779,298	9,905,529	6,675,850
Coin and bullion	15,139,763	15,069,814	13,048,475
Bank rate of discount	3 per cent.	3 p. cent.	8 per cent.
Average price of wheat	60s. 6d.	47s. 8d.	40s. 3d.

Subjoined is our usual table with the returns brought down to December 2d, 1863:

WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 17	£19,932,360	£8,507,144	£14,033,994	£30,539,868	£15,031,658	8 pr. ct.
" 24	20,150,398	8,654,499	14,306,497	31,346,731	14,870,795	8 "
" 31	20,516,435	8,338,717	15,469,254	32,488,020	14,956,421	8 "
Jan. 7	20,927,993	8,782,808	14,393,808	32,620,233	14,685,555	8 "
" 14	21,018,849	4,280,730	16,772,782	31,165,075	14,102,169	4 "
" 21	20,893,931	4,965,798	14,992,225	30,227,066	13,855,849	4 "

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
" 28...	20,771,286	5,416,863	14,414,763	30,238,865	13,611,823	5 "
Feb. 4...	20,709,154	6,351,617	13,352,287	29,997,233	13,692,136	5 "
" 11...	20,444,454	6,952,808	13,596,356	30,288,406	14,070,651	5 "
" 18...	19,916,496	7,413,275	13,769,276	29,890,503	14,589,222	4 "
" 25...	19,715,828	7,901,658	13,867,153	29,709,079	14,614,096	4 "
Mar. 4...	20,322,055	8,036,003	13,368,086	30,880,805	14,504,517	4 "
" 11...	19,801,665	8,673,899	13,282,605	31,096,827	14,328,178	4 "
Mar. 17...	20,012,331	9,343,499	13,003,088	31,482,170	14,547,812	4 "
" 24...	20,136,276	10,364,471	12,742,282	31,896,338	15,025,274	4 "
Apr. 1...	20,965,228	10,107,041	13,172,090	32,775,752	15,141,755	4 "
" 8...	21,279,339	6,714,109	14,829,832	30,946,784	14,963,835	4 "
" 15...	21,326,820	5,769,276	15,013,391	29,974,677	15,229,287	4 "
" 22...	21,413,226	6,316,413	14,739,897	30,182,533	15,387,151	3 "
" 29...	21,452,800	7,178,312	13,606,939	29,994,349	15,348,492	3½ "
May 6...	21,876,999	7,241,739	13,122,087	29,718,602	15,141,760	3 "
" 13...	21,252,916	6,735,187	13,727,556	30,201,120	14,653,141	3 "
" 20...	21,268,315	7,610,278	13,983,654	31,484,815	14,529,451	4 "
" 27...	20,909,819	8,002,346	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,392	8,779,387	13,896,450	32,389,044	14,425,553	4 "
" 10...	21,080,460	9,782,830	13,783,263	33,240,192	14,556,121	4 "
" 17...	20,655,173	9,882,135	13,904,506	32,750,953	14,850,156	4 "
" 24...	20,525,655	10,279,053	13,809,996	32,756,459	15,026,118	4 "
July 1...	21,738,756	10,356,373	16,274,739	36,490,515	15,080,271	4 "
" 8...	22,038,478	5,593,834	18,595,718	34,647,536	14,824,069	4 "
" 15...	22,194,996	4,918,458	16,381,914	32,052,521	14,749,876	4 "
" 22...	22,230,612	5,386,948	14,675,625	30,975,774	14,620,872	4 "
Aug. 5...	22,340,809	5,577,268	13,790,855	30,289,227	14,842,185	4 "
" 12...	21,937,198	5,754,863	13,578,858	29,657,833	15,040,819	4 "
" 19...	22,003,176	6,126,668	13,005,322	29,503,127	15,081,152	4 "
" 26...	21,699,696	6,713,801	12,806,568	29,322,757	15,309,384	4 "
Sept. 2...	21,920,722	6,818,182	13,261,512	30,180,384	15,494,219	4 "
" 9...	21,646,811	6,997,402	12,909,484	29,919,543	15,345,488	4 "
" 16...	21,487,105	7,371 510	13,484,939	30,601,940	15,461,566	4 "
" 23...	21,515,731	8,291,491	12,859,580	30,960,809	15,532,838	4 "
" 30 ..	22,312,747	9,270,486	13,717,460	33,751,403	15,277,885	4 "
Oct. 7...	22,545,407	9,510,057	12,893,642	33,829,764	14,856,037	4 "
" 14...	22,860,695	4,616,052	16,352,818	32,382,508	14,570,611	4 "
" 21...	22,824,466	4,437,835	15,271,262	31,028,819	14,645,269	4 "
" 28...	22,600,408	4,462,168	15,015,128	30,785,852	14,437,574	4 "
Nov. 4...	22,783,018	5,066,818	13,861,178	31,055,887	13,799,428	6 "
" 11...	22,115,423	5,624,339	13,664,311	31,121,796	13,460,765	6 "
" 18...	21,778,354	6,451,850	13,403,442	31,407,245	13,419,602	6 "
" 25...	21,154,252	7,040,534	12,602,411	30,830,216	13,366,332	6 "
Dec. 2...	21,685,782	7,284,894	12,924,545	31,980,889	13,048,475	8 "

NEW YORK CLEARING-HOUSE—ANNUAL MEETING.—The tenth annual meeting of the New York Clearing-house Association was held at the Clearing-house on the 6th day of October last. The following officers and committees were elected for the ensuing year, viz:

Chairman—JOHN Q. JONES, President of the Chemical Bank, in place of THOMAS TILESTON, resigned.

Secretary—ROBERT BAYLES, President of the Market Bank, in place of M. M. FREEMAN, resigned.

Clearing-house Committee—J. D. VERMILYE, Cashier Merchants' Bank; J. M. MORRISON, President Manhattan Company; E. D. BROWN, President Mechanics' and Traders' Bank; S. R. COMSTOCK, Cashier Citizens' Bank; R. H. HAYDOCK, Cashier Fulton Bank.

Conference Committee—JAMES GALLATIN, President National Bank; JACOB CAMPBELL, Jr., President Pacific Bank; GEORGE W. DUER, Cashier Bank of State of New York; A. S. FRASER, Cashier Seventh Ward Bank; W. H. FOGG, President Park Bank.

The following Committees were appointed by the Chairman, viz:

Committee on Admission—H. BLYDENBURG, President Nassau Bank: D. R. MARTIN, President Ocean Bank; CHARLES F. HUNTER, President Peoples Bank; E. W. DUNHAM, President Corn Exchange Bank; LUCIUS HOPKINS, President Importers and Traders Bank.

Committee on Arbitration—H. L. JAQUES, Vice-President Metropolitan Bank; WM. L. JENKINS, Cashier of Bank of America; J. P. YELVERTON, President Bank of North America; SHEPHERD KNAPP, President Mechanics' Bank; B. LEWIS, Jr., President Butchers and Drovers Bank.

For Specie Depository—BANK OF AMERICA.

The Clearing-house Committee reported that the business of the Clearing house had been unprecedentedly large, the exchanges having been more than double the average amount of that of the nine preceding years.

For the year ending October 1st, 1863, the exchanges were	$14,867,597,848 60
And for the nine preceding years	57,575,807,880 01
Total for ten years	$72,443,405,728 61
The balances received and paid for the tenth year were	$677,626,482 11
And for the nine years preceding	3,042,965,329 25
Total balances for ten years	$3,720,591,811 66
Total business for ten years	$76,163,997,540 27

The following resolution was adopted by the meeting, viz:

Resolved, That a committee of five bank officers be appointed to examine the system of banking initiated by the present Secretary of the Treasury of the United States, as to its prospective effects upon the currency and credit of the country, and to report whether any action on the subject by this Association is necessary.

On motion of the same gentleman the following resolution was also adopted, viz:

Resolved, That from and after the 1st day of December next, the Loan Committee shall be authorized to apportion the U. S. Legal Tender Notes in such manner that each of the Associated Banks shall hold of such notes not less than ten per cent of their net deposits.

A motion was made by the President of the Bank of America, JAMES PUNNETT, Esq., seconded by JAS. GALLATIN, Esq., President of the National Bank, to amend the above resolution so as to make the percentage of U. S. Legal Tender Notes to be held by the banks twenty-five instead of ten per cent, and the rate of interest for the Loan Certificates—seven per cent per annum—was lost.

The Chairman of the Loan Committee, C. P. LEVERICH, Esq., then read

the following letter, addressed by M. B. FIELD, Esq., Assistant Secretary of the Treasury, to JOHN J. CISCO, Esq., Assistant Treasurer, New York:

TREASURY DEPARTMENT, *November 27th*, 1863.

SIR: The National Bank Note Company has, in error and contrary to instructions, prepared the plates for the two-years five per cent Treasury Notes of the denomination of One Hundred Dollars with coupons on the left instead of the right-hand side.

Please confer with the Associated Banks in regard to it, and ascertain if they would prefer to take the notes with coupons thus attached, or incur the delay which would necessarily arise in preparing new plates.

Very respectfully,

M. B. FIELD,

JOHN J. CISCO, Esq., *Assistant Secretary of the Treasury.*
Assistant Treasurer, New York.

P. S. All the other coupons will be on the right-hand side.

On motion of the Cashier of the Bank of Commerce, H. F. VAIL, Esq., the letter of the Assistant Secretary of the Treasury was referred to the Loan Committee with power.

On motion of the Cashier of the Merchants' Bank, J. D. VERMILYE, Esq., the following resolution was adopted, viz:

Resolved, That the Chairman of the Loan Committee be authorized to draw upon the Associated Banks for the sum of $\$1,420\frac{37}{5}$, being the amount advanced to the Associated Banks by the Clearing-house Association to the 1st day of October, 1863, and also for such expenses as may be incurred by the Loan Committee.

The Chairman of the Loan Committee asked for instructions in relation to the collection of the interest accrued upon the Loan to the U. S. Government of $35,000,000, from the 8th of September to December 1st.

On motion, the consideration of the subject was referred to the Loan Committee.

A motion, made by the President of the American Exchange Bank, GEORGE S. COE, Esq., that the two-year five per cent Legal Tender U. S. Treasury Notes, when delivered to the banks, shall be used by them as a medium for the settlement of balances at the Clearing-house, was, after some debate, withdrawn.

This loan has now all been paid. We give below a list of the payments with the date of each:

PAYMENTS OF THE BANKS ON THE $50,000,000 TO GOVERNMENT.

		New York banks.	Other banks.
5	per cent when loan was taken.....	$1,750,000	$750,000
10	" Sept. 19.....	3,500,000	1,500,000
10	" " 26.....	3,500,000	1,500,000
10	" Oct. 3.....	3,500,000	1,500,000
10	" " 19.....	3,500,000	1,500,000
10	" Nov. 10.....	3,500,000	1,500,000
10	" " 13.....	3,500,000	1,500,000
10	" " 18.....	3,500,000	1,500,000
10	" " 21.....	3,500,000	1,500,000
10	" " 25.....	3,500,000	1,500,000
5	" " 30.....	1,750,000	750,000
Total.....		$35,000,000	$15,000,000
Making the payments of all the banks.....			$50,000,000

Government has not yet issued the interest-bearing notes to the banks for this loan, but will probably do so about the first of January. In this connection, we would suggest one important question, and that is, What prevents the banks cutting off the coupons as soon as the notes are received, and paying out the notes for their face as legal tenders, while retaining the coupons and collecting each as it becomes due? The law (act of March 3, 1863), under which the loan is made, reads as follows:

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury be and he is hereby authorized to issue, on the credit of the United States, four hundred millions of dollars in Treasury notes, payable at the pleasure of the United States, or at such time or times, not exceeding three years from date, as may be found most beneficial to the public interests, and bearing interest at a rate not exceeding six per centum per annum, payable at periods expressed on the face of said Treasury notes; * * * *and said Treasury notes may be made a legal tender to the same extent as United States notes, for their face value, excluding interest.* * * * * * *

There is no limit to this provision, making these notes a legal tender (such as, for instance, that the unmatured coupons must remain attached), and, in fact, there is no provision whatever made in regard to coupons, Congress probably forgetting, or not contemplating, that there would be any. Why, then, could not these coupons be cut off, and still the note be a legal tender for its face? If this is so, of course the law should be amended.

REPORT OF THE SECRETARY OF THE TREASURY.

SOME of the suggestions contained in the Report of the Secretary of the Treasury we have noticed elsewhere, and probably shall have occasion to refer to others hereafter. We give below the more important facts and figures of the Report:

The receipts, estimated and actual, for the last fiscal year, ending on the 30th of June, 1863, were, including balance from the preceding year, as follows:

	Estimated.	Actual.
From customs	$68,041,736 59	$69,059,642 40
From lands	88,724 16	167,617 17
From miscellaneous	2,244,316 32	3,046,615 35
From direct tax	11,620,717 99	1,485,103 61
From internal revenue	85,456,303 73	37,640,787 95
Balance from last year	13,043,546 81	13,043,546 81
Total receipts from all ordinary sources	$180,495,345 60	$124,443,313 29

The additional sums, actual or estimated, necessary to meet disbursements, were, of course, derived, or estimated as derivable, from loans.

The disbursements, estimated and actual, were as follows:

	Estimated.	Actual.
The civil service	$32,811,543 23	$23,253,922 06
Pensions and Indians	5,982,906 43	4,216,520 79
War Department	747,359,828 98	599,298,600 83
Navy Department	82,177,510 77	63,211,105 27
Interest on debt	25,014,532 07	24,829,846 61
Total gross estimate	$893,346,321 48	$714,709,995 56

But this amount, it was supposed, would remain undrawn at the end of the year, and was therefore deducted from the gross estimate	$200,000,000 00
Making actual estimate	$693,346,321 48

In his last report the secretary stated that if the appropriations should equal the estimates, the balance unexpended at the end of the year would probably reach $200,000,000, and that this sum should therefore be deducted from the departmental estimates, to make the aggregate correspond with probable conditions. The above statement shows that the aggregate of estimates, thus reduced, was $693,346,321 48, while the expenditures were $714,709,995 58, exceeding the reduced estimates $21,363,674 10.

From the actual expenditures, $714,709,995 58, there must be deducted the actual receipts, $124,443,313 29, in order to show the amount derived from loans, $590,266,682 29, which sum, added to the amount of the debt on the 1st July, 1862, $508,526,499 08 (heretofore erroneously stated at $514,211,371 92), gives us the true amount of debt on the 1st July, 1863, $1,098,793,181 37.

The following is a statement of the actual receipts and disbursements:

RECEIPTS AND EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 1863.

RECEIPTS.

The total receipts, including a balance on hand July 1, 1862, of $13,043,546, were $907,125,674, as follows:

From customs	$69,059,642	
From lands	167,617	
From miscellaneous sources	3,046,615	
From direct tax	1,485,103	
From internal duties	37,640,787	
		$111,399,766
From loans:		
For three years 7-30 bonds	$17,263,450	
For five-twenty years six per cent bonds	175,037,259	
For two years Treasury notes, under act March 2, 1861	1,622	
For U. S. notes, under act Feb. 25, 1863	231,260,000	
For United States stock, Washington and Oregon war debt	145,050	
From temporary loan, under act February 25, 1862	115,226,762	
From certificates of indebtedness, under acts March 1 and 17, 1862	157,479,261	
For 20-years 6 per cent bonds, under act July 17, 1861	76,500	
From United States fractional currency	20,192,456	
		776,662,361
Aggregate receipts		$888,082,128

Balance in Treasury July 1, 1862		$13,043,546
Total resources		$901,125,674
From which, however, should be deducted receipts from new loans, applied during the year in payment of existing funded or temporary debt, and therefore only nominal receipts		181,086,635
Making the total amount of receipts		$720,039,039

EXPENDITURES.

The expenditures were—

For the civil service	$23,253,922
For pensions and Indians	4,216,520
For interest on public debt	24,729,246
For the War Department	599,298,600
For the Navy Department	63,211,105
Total	$714,709,995

To which add payments on account of public debt, as follows:

Redemption of Treasury notes, under acts prior to July 22, 1846	$50	
Redemption of Treasury notes, under acts December 23, 1857, December 17, 1860, and March 2, 1861	2,211,650	
Repayment on account of temporary loan, under acts Feb. 25 and March 17, 1862	67,516,993	
Redemption of United States stock loan of 1842	2,580,743	
Redemption of 7.30 coupon bonds, under act of July 17, 1861	71,500	
Redemption of United States stock, Washington and Oregon war debt	69,650	
Redemption of United States notes under act of July 17, 1861	56,177,390	
Redemption of United States notes under act February 25, 1862	2,099,000	
Redemption of certificates of indebtedness under acts March 1 and 17, 1862	50,359,758	
Making the aggregate expenditures	$895,796,630	
But from this aggregate should be deducted payments of existing funded and temporary debt, all which are made from new loans, and are therefore only nominal payments	181,086,635	
Making the actual expenditures for the year		$714,709,995
Leaving a balance in the Treasury July 1, 1863, of		$5,329,044

ESTIMATES FOR THE YEAR ENDING JUNE 30, 1864.

The estimates for the current fiscal year 1864 are founded on actual receipts and disbursements for the first quarter, which ended September 30, 1863, and on opinions formed upon probable events and conditions as to the other quarters.

The following statement exhibits what is actually known and what, after careful reflection, the Secretary thinks himself warranted in regarding as probable:

For the first quarter, which ended September 30, 1863, the actual receipts were—		
From customs	$22,562,018 42	
From internal revenue	17,599,719 59	
From lands	136,182 99	
From miscellaneous sources	641,542 04	
Total receipts for first quarter	$40,939,456 14	
To which add balance July 1, 1863	5,329,044 21	
Making total receipts of first quarter, except loans		$46,268,500 35
For the three remaining quarters, ending on the 30th of June, 1864, it is estimated there will be received:		
From customs	$50,000,000 00	
From internal revenue	60,000,000 00	
From lands	300,000 00	
From miscellaneous sources	5,000,000 00	
		115,300,000 00
Making a total of receipts from ordinary sources, actual and estimated, and including balance of		$161,568,500 35
To which add actual and estimated receipts from loans		594,000,000 00
Making a total of actual and estimated receipts from all sources for 1864		$755,568,500 35

The expenditures may be stated as follows:

For the first quarter ending September 30, 1863, the actual disbursements have been:

For the civil service	$7,216,939 31	
For pensions and Indians	1,711,271 95	
For War Department	144,387,473 97	
For Navy Department	18,511,618 86	
For interest on public debt	4,283,628 37	
Actual expenditures for first quarter		$176,110,932 46
For the remaining three quarters the estimates, founded on appropriations and estimated deficiencies, are as follows:		
For the civil service	$27,050,872 21	
For pensions and Indians	6,129,042 86	
For War Department	741,092,037 14	

For Navy Department.....	94,467,567 74	
For interest on public debt.....	54,881,508 01	
		923,621,027 96
Making a total aggregate of actual and estimated expenditures of.....		$1,099,731,960 42
But as these estimates include all unexpended balances of appropriations from former years, they are necessarily much too large, and there may be safely deducted from their aggregate, as likely to remain unexpended at the close of the fiscal year, the sum of		350,000,000 00
Leaving the total actual and estimated expenditures for 1864.....		$749,731,960 42
The total of expenditures being deducted from the total of receipts, there will be an estimated balance on the 30th of June, 1864, of.....		5,836,539 93
From this statement it appears that the total receipts required for the probable disbursements of the year, and including estimated balance at its close, will amount to.....		$755,568,500 35
Of which there have been provided and applied during the first quarter.....		176,110,932 46
Leaving to be provided.....		$579,457,567 89
Of which it is estimated there will be received from ordinary sources during the three other quarters..		115,300,000 00
Leaving yet to be provided by loans.....		$464,157,567 89

The amount of debt created during the quarter is ascertained by deducting from the total expenditures $176,110,932 46, the aggregate of ordinary receipts and balance from last year, amounting together to $46,268,500 35, which gives as the increase of debt, $129,842,432 11. To this sum, if there be added the sum yet to be provsded by loans, $464,157,567 89, the result will be, $594,000,000 00, from which, if there be deducted the estimated balance on the 1st July, 1864, $5,836,539 93, the remainder will be $588,163,400 07, and will represent the total increase, on the basis of these estimates, of public debt during the year. The debt on the 1st of July, 1863, was $1,098,793,181 37; to which, if this estimated increase be added, the total debt on the 1st of July, 1864, will be $1,686,956,641 44, instead of $1,744,685,586 80, as estimated in the report of last December.

The following detailed statement of the indebtedness of the United States will be found very valuable for future reference It gives the popular name, the date of passage, and a synopsis of each act under which the loans composing the entire present indebtedness have been made, together with the length of loan, when redeemable, rate of interest, amount authorized, amount issued, and the amount outstanding of each loan, and the total debt at three separate dates, to wit: March 4, 1861, June 30, 1863, and September 30, 1863:

Acts Authorizing Loans, and Synopsis of Same.	*Length Loan.*	*When Redeemable.*	*Rate of Interest.*	*Amount Authorized.*	*Amount Issued.*	*Outstanding March 4, '61.*	*Outstand'g June 30, '63.*	*Outstand'g Sep. 30, '63.*
LOAN OF 1842.—Acts of July 21, 1841, and April 15, 1842—Authorized a loan of $12,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable at the will of the Secretary, after six months' notice, or at any time after three years from the 1st of January, 1842. The act of April 15, 1842, authorized the loan of an additional sum of $5 000,000, and made the amount obtained on the loan, after the passage of this act, reimbursable after six months' notice, or at any time, not exceeding twenty years, from the 1st day of January, 1843. This loan was made for the purpose of redeeming outstanding Treasury notes, and to defray any of the public expenses.	Twenty years.	After Dec. 31, '62.	*6 per cent.	$17,000,000	$8,343,686	$2,983,364	$302,630	$243,629
LOAN OF 1846.—Act of July 22, 1846—Authorized an issue of $10,000,000 in Treasury notes, bearing interest at a rate not exceeding 6 per cent per annum, and payable one year from date. Instead of issuing the whole amount in Treasury notes, authority was given to borrow any part of it, and issue therefor bonds in the same form and under the same restrictions, limitations, and provisions contained in the act of April 15, 1842. The whole amount of Treasury notes and bonds issued under this act not to exceed $10,000,000. Authority was given the Secretary to purchase the Treasury notes at any time.	Ten years.	After Nov. 12, '50.	*6 per cent.	10,000,000	4,999,149	1,000	.....	.....
LOAN OF 1847.—Act of January 28, 1847—Authorized the issue of $23,000,000 in Treasury notes, bearing interest at a rate not exceeding 6 per cent per annum, with authority to borrow any portion of the amount, and issue bonds therefor, bearing interest at a rate not exceeding 6 per cent, and redeemable after the 31st of December, 1867. The 13th section authorized the funding of these notes into bonds of the same description. The act limited the amount to be borrowed or issued in Treasury notes and funded as aforesaid to $23,000,000, but authorized funding of Treasury notes issued under former acts beyond that amount. The excess of the $23,000,000 is made up of Treasury notes funded under the 14th section.	Twenty years.	After Dec. 31, '67.	*6 per cent.	23,000,000	28,287,150	9,415,250	9,415,250	9,415,250
LOAN OF 1848.—Act of March 31, 1848—Authorized a loan of $16,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable at any time after twenty years from the 1st of July, 1848. Authority was given the Secretary to purchase the stock at any time.	Twenty years.	After July 1, '68.	*6 per cent.	16,000,000	16,000,000	8,908,341	8,908,341	8,908,341
TEXAN INDEMNITY.—Act of September 9, 1850—Authorized the issue of $10,000,000 in bonds, bearing 5 per cent interest, and redeemable at the end of fourteen years, to indemnify the State of Texas for her relinquishment of all claims upon the United States for liability of the debts of Texas, and for compensation for the surrender to the United States of her ships, forts, arsenals, custom-houses, etc., which became the property of the United States at the time of annexation.	Fifteen years.	After Dec. 31, '64.	*5 per cent.	10,000,000	5,000,000	3,461,000	3,461,000	3,461,000

OLD FUNDED DEBT.—Consisting of unclaimed dividends upon stocks issued before the year 1800 and those issued during the war of 1812.	Demand	On demand	*3 and 6 per cent.	.....	.....	114,118	114,115	114,115
TREASURY NOTES.—Acts prior to 1857—Different issues of Treasury notes.	Demand	On demand	1 mill to 6 per c.	.....	.....	104,811	104,561	104,511
TREASURY NOTES.—Act of December 23, 1857—Authorized an issue of $20,000,000 in Treasury notes, bearing interest at a rate not exceeding six per cent per annum, and receivable in payment of all public dues, and to be redeemed after the expiration of one year from the date of said notes.	One year.	One year after date.	5 and 5½ per cent.	20,000,000	20,000,000	4,636,800	13,000	12,900
LOAN OF 1858.—Act of June 14, 1858—Authorized a loan of $20,000,000, bearing interest at a rate not exceeding 5 per cent per annum, and reimbursable at the option of the government at any time after the expiration of fifteen years from the 1st of January, 1859.	Fifteen years.	After Dec. 31, '73.	5 per cent.	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
LOAN OF 1860.—Act of June 22, 1860—Authorized a loan of $21,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable within a period not beyond twenty years, and not less than ten years, for the redemption of outstanding Treasury notes, and for no other purpose.	Ten years.	After Dec. 31, '70.	5 per cent.	21,000,000	7,022,000	7,022,000	7,022,000	7,022,000
TREASURY NOTES.—Act of December 17, 1860—Authorized an issue of $10,000,000 in Treasury notes, to be redeemed after the expiration of one year from the date of issue, and bearing such a rate of interest as may be offered by the lowest bidders. Authority was given to issue these notes in payment of warrants in favor of public creditors at their par value, bearing six per cent interest per annum.	One year.	One year after date.	*6 and 12 per cent.	10,000,000	10,000,000	10,000,000	1,600	600
LOAN OF FEBRUARY, 1861.—Act of February 8, 1861 Authorized a loan of $25,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable within a period not beyond twenty years nor less than ten years. This loan was made for the payment of the current expenses, and was to be awarded to the most favorable bidders.	Twenty years.	After June 1, '81.	*6 per cent.	25,300,000	18,115,000	1,961,000	18,415,000	18,415,000
TREASURY NOTES.—Act of March 2, 1861—Authorized a loan of $10,000,000, bearing interest at a rate not exceeding 6 per cent per annum, and reimbursable after the expiration of ten years from July 1, 1861. In case proposals for the loan were not acceptable, authority was given to reissue the whole amount in Treasury notes, bearing interest at a rate not exceeding 6 per cent per annum. Authority was also given to substitute Treasury notes for the whole or any part of the loans for which the Secretary was by law authorized to contract and issue bonds, at the time of the passage of this act, and such Treasury notes were to be made receivable in payment of all public dues, and redeemable at any time within two years from March 2, 1861.	2 years.	Two years after date.	*6 per cent.	.....	22,468,100	.....	776,750	512,900
	60 days.	Sixty days after date.	*6 per cent.	.....	12,996,356	.....	.....	.....
OREGON WAR.—Act of March 2, 1861—Authorized an issue, should the Secretary of the Treasury deem it expedient, of $3,000,000 in coupon bonds, bearing interest at the rate of 6 per cent per annum, and redeemable in twenty years, for the payment of expenses in-	20 years.	After July 1, '81.	*6 per cent.	2,800,000	1,090,850	.....	1,021,300	1,016,000

Acts Authorizing Loans, and Synopsis of Same.	*Length Loan.*	*When Redeemable.*	*Rate of Interest.*	*Amount Authorized.*	*Amount Issued.*	*Outstanding March 4, '61.*	*Outstand'g June 30, '63.*	*Outstand'g Sep. 30, '63.*
curred by the Territories of Washington and Oregon in the suppression of Indian hostilities during the years 1855-56.								
TWENTY YEARS SIXES.—Acts of July 17, 1861, and Aug. 5, 1861—Authorized a loan of $250,000,000, for which could be issued bonds bearing interest at a rate not exceeding 7 per cent per annum, irredeemable for twenty years, and after that redeemable at the pleasure of the United States.	20 years.	After June 30, '81.	†6 per cent.		50,000,000	.....	50,000,000	50,000,000
7.30 NOTES, (two issues).—Treasury notes bearing interest at the rate of 7.30 per cent per annum, payable three years after date; and	3 y'rs.	After Aug. 18, '64.	‡7.30 p. c.		58,008,300	.....	52,981,000	52,795,350
	3 y'rs.	After Sept. 30, '64.	‡7.30 p. c.		96,995,700	.....	86,989,500	86,953,650
DEMAND NOTES.—United States notes without interest, payable on demand, to the extent of $50,000,000. (Increased by act of February 12, 1862, to $60,000,000.)§	Payable on demand.	Demand ...	*No interest	250,000,000	60,000,000	.....	8,351,019	2,022,178
The bonds and Treasury notes to be issued in such proportions of each as the Secretary may deem advisable.								
TWENTY YEARS SIXES.—The supplementary act of August 5, 1861, authorized an issue of bonds bearing 6 per cent interest per annum, and payable at the pleasure of the United States after twenty years from date, which may be issued in exchange for 7.30 Treasury notes but no such bonds to be issued for less than $500, and the whole amount of such bonds not to exceed the whole amount of 7.30 Treasury notes issued.	20 years.	After June 30, '81.	*6 per cent.		Exch'd for 7.30 notes.	.....	22,500	320,000
U. S NOTES (new issue), FIVE-TWENTIES, TEMPORARY LOAN.—Act of February 25, 1862—Authorized the issue of $150,000,000 in legal tender United States notes, $50,000,000 of which to be in lieu of demand notes issued under act of July 17, 1861, $500,000,000 in 6 per cent bonds, redeemable after five years, and payable twenty years from date, which may be exchanged for United States notes, and a temporary loan of $25,000,000 in United States notes for not less than thirty days, payable after ten days' notice, at five per cent interest per annum. (This last was increased to $100,000,000 by the following acts:)	.....	.....	*None	150,000,000	150,000,000	.....	147,767,114	147,767,114
	5 or 20 years.	After April 30, '67.	*6 per cent.	500,000,000	Being issued	.....	168,880,250	278,511,500
	Not less than 30 days.	After ten days' notice.	*4 and 5 per cent	100,000,000	do	.....	102,384,085	104,934,102
Act of March 17, 1862—Authorized an increase of temporary loans of $25,000,000, bearing interest at a rate not exceeding 5 per cent per annum. (Included above.)								
Act of July 11, 1862—Authorized a further increase of temporary loans of $50,000,000, making the whole amount authorized $100,000,000. (Included above.)								
CERTIFICATES OF INDEBTEDNESS.—Act of March 1, 1862—Authorized an issue of certificates of indebtedness, payable one year from date, in settlement of audited claims against the government. Interest 6 per cent per annum, payable in gold on those issued prior to March 4, 1863, and in lawful currency on those issued on and after that date. Amount of issue not specified.	One year.	One year after date.	*6 per cent.	Not specif'd	do	.....	156,784,941	156,918,437
UNITED STATES NOTES.—Act of July 11, 1862—Authorized an additional issue of $150,000,000 legal tender notes, $35,000,000 of which	.....	.....	*None	150,000,000	150,000,000	.....	150,000,000	150,000,000

might be in denominations less than five dollars. $30,000,000 of this issue to be reserved to pay temporary loans promptly in case of emergency.								
POSTAL CURRENCY.—Act of July 17, 1862—Authorized an issue of notes of the fractional part of one dollar, receivable in payment of all dues except customs, less than five dollars, and exchangable for United States notes in sums not less than five dollars. Amount of issue not specified.	.....	.....	*None	.....Not specif'd	20,192,456	.....	20,192,456	17,766,056
Resolution of Congress, Jan. 17, 1863.—Authorized the issue of $100,000,000 in United States notes for the immediate payment of the army and navy; such notes to be a part of the amount provided for in any bill that may hereafter be passed by this Congress. The amount in this resolution is included in act of March 3, 1863.								
Act of March 3, 1863—Authorized a loan of $300,000,000 for this and $600,000,000 for the next fiscal year, for which could be issued bonds running not less than ten nor more than forty years, principal and interest payable in coin, bearing interest at a rate not exceeding six per cent per annum, payable on bonds not exceeding $100 annually, and on all others semi-annually. And Treasury notes (to the amount of $400,000,000) not exceeding three years to run, with interest at not over 6 per cent per annum, principal and interest payable in lawful money, which may be made a legal tender for their face value, excluding interest, or convertible into United States notes. And a further issue of $150,000,000 in United States notes for the purpose of converting the Treasury notes which may be issued under this act, and for no other purpose.								
UNITED STATES NOTES (new issue).—And a further issue, if necessary, for the payment of the army and navy, and other creditors of the government, of $150,000,000 in United States notes, which amount includes the $100,000,000 authorized by the joint resolution of Congress, January 17, 1863. The whole amount of bonds, Treasury notes, and United States notes issued under this act not to exceed the sum of $900,000,000.	.....	.....	None	150,000,000	104,969,937	.....	89,879,475	104,969,937
Act of March 3, 1863—Authorized an issue not exceeding $50,000,000 in fractional currency (in lieu of postage or other stamps), exchangeable for United States notes in sums not less than three dollars, and receivable for any dues to the United States less than five dollars, except duties on imports. The whole amount issued, including postage and other stamps issued as currency, not to exceed $50,000,000. Authority was given to prepare it in the Treasury Department, under the supervision of the Secretary.	.....	.....	.....	50,000,000	.....	.....	.....	.....
Total.....						$68,482,686	1,098,793,181	1,222,118,559

§ Act of February 12, 1862, authorized an increase of $10,000,000 demand notes, included in above statement.
† Fifty million dollars at 89.32 to make an equivalent to seven per cent investment.
* Price of emission—Par.
‡ Thirteen million dollars at a premium of 3.25; balance at par.

REPORT OF THE SECRETARY OF THE NAVY AND THE CHIEF OF THE BUREAU OF ORDNANCE.

THE reports of the Secretary of the Navy and Chief of the Bureau of Ordnance contain many interesting facts. In regard to the blockade, the Secretary of the Navy states that it now extends over a distance of three thousand five hundred and forty-nine statute miles, with one hundred and eighty-nine harbor or river openings or indentations, presenting a double shore to be guarded. In addition to the coast blockade, a naval force of more than one hundred vessels has been employed, during the year, in patrolling the rivers, cutting off rebel supplies, and co-operating with the armies in the suppression of the rebellion. The distance thus traversed and patrolled by the gunboats on the Mississippi and its tributaries is 3,615 miles, and the sounds, bayous, rivers, and inlets of the States upon the Atlantic and the Gulf, covering an extent of about 2,000 miles, have also been penetrated and watched with unceasing vigilance.

In the last report, the Secretary mentioned that the naval force at the commencement of this administration consisted of seventy-six vessels, and of these only forty-two were in commission. In the following table an exhibit is presented of the actual number and description of our naval vessels, at the date of the last report and at the present time:

COMPARATIVE EXHIBIT OF THE NAVY, DECEMBER 1862 AND 1863.

	No. of vessels.	No. of guns.	Tonnage.
Navy at the date of present report.....	588	4,443	467,967
Navy at the date of last report.....	427	3,268	340,036
Increase, exclusive of those lost.....	161	1,175	127,931

VESSELS OF THE NAVY LOST SINCE DECEMBER, 1862.

In what manner lost.	No. vessels.	No. guns.	Tonnage.
Captured.....	12	48	5,947
Destroyed to prevent falling into rebels' hands.	3	29	1,983
Sunk in battle or by torpedoes.....	4	28	2,201
Shipwreck, fire and collision.....	13	61	4,854
Total.....	32	166	15,985

VESSELS PLACED UNDER CONSTRUCTION SINCE DECEMBER, 1862.

Description.	No. vessels.	No. guns.	Tonnage.
Double-end iron steamers, 1,030 tons each....	7	84	7,200
Single turret iron-clads, 614 tons each.....	20	40	12,280
Double turret iron-clads, 3,130 tons each.....	4	16	12,520
Clipper screw-sloops, 2,200 tons each.....	12	96	26,400
Screw-sloops, spar-deck, 2,200 tons each.....	8	160	17,600
Screw-sloops of great speed, 3,200 tons each...	5	40	16,000
Screw-sloops of great speed, 3,000 tons each...	2	16	6,000
Total.....	58	452	98,000

GENERAL EXHIBIT OF THE NAVY WHEN THE VESSELS UNDER CONSTRUCTION ARE COMPLETED.

	No. vessels.	No. guns.	Tonnage.
Iron-clad steamers, coast service	46	150	62,513
Iron-clad steamers, inland service	29	152	20,784
Side-wheel steamers	203	1,240	126,517
Screw steamers	198	1,578	187,892
Sailing vessels	112	1,323	70,256
Total	588	4,443	467,967

There have been added to the navy during the past year, by purchase, some thirty tugs, over fifty steamers for blockading and supply purposes, and over twenty other vessels for tenders and store-ships. At least twenty of the steamers were captured in endeavoring to violate the blockade.

THE ORDNANCE OF THE NAVY, 1861–63.

From the record, it appears that the ordnance of the navy, at the commencement of 1861, consisted of two thousand four hundred and sixty-eight heavy guns, and one hundred and thirty-six howitzers, of the following calibres:

32 pounders	1,872
8 inch	575
10 inch (old model)	27
*X inch (Dahlgren)	19
IX inch (Dahlgren)	305
XI inch (Dahlgren)	32
Heavy guns	2,830
24 pounders	29
1 : pounders	107
Boat howitzers	136

Exclusive of howitzers, which were then seldom used as deck pieces these guns were distributed in the batteries of our ships, as follows:

In frigates	100
In sloops	232
In storeships	7
In screw frigate	12
First class steam sloops	90
Side-wheel steamers	40
Second class steam sloops	45
Third class screw steamers	28
Steam tender	1
Total	555

The remainder were either on board vessels in ordinary, receiving ships, or parked in the several navy yards on the Atlantic coast; not a gun belonging to the navy was to be found upon the Mississippi or its tribu-

* The Roman numerals are adopted by Rear Admiral Dahlgren to distinguish the guns of his design from the old system.

taries, and nearly all of our cruisers were absent upon foreign stations.

To add to the general embarrassment experienced in every department of the Government and increase the difficulties of its position, the Bureau of Ordnance was abandoned at this crisis by many of those who from long service in it, ample experience, and a thorough knowledge of its business, could have best served the country at that critical period.

Fortunately, however, the men who succeeded them clearly understood the necessity for immediate action and unceasing effort to place in the best condition and equip for effective service every available gun, in order to arm the vessels then belonging to the Government, and meet the requirements of those that were being rapidly purchased.

Consequently, the somewhat obsolete ordnance of the old system of armament was necessarily placed at once in service, while, at the same time, orders were given to the only foundries then prepared to do such work to fabricate, as rapidly as possible, IX-inch, X-inch, and XI-inch guns. The necessity for prompt measures was greatly increased by the calamity at Norfolk and the occupation of the navy yard at Pensacola by the insurgents, whereby a large amount of ordnance stores and a considerable number of IX-inch and XI-inch guns, which then constituted the most effective pieces in the batteries of our ships, were lost to the navy.

The following tabular statement affords a comprehensive view of the facts embraced in the foregoing remarks, and illustrates the rapid increase in the number of effective guns of smooth bore, and the addition of rifled pieces, which has been made in the ordnance of our navy:

Class of gun.	On hand March, '61.	Made since.	On hand Nov. '63.
Howitzer, 12 pounder, light	57	26	83
Howitzer, 12 pounder, heavy	50	208	258
Howitzer, 24 pounder	29	508	537
Howitzer, 12 pounder, rifled	..	325	325
32 pounders, 27 cwt	177	..	177
32 pounders, 32 cwt	376	..	376
32 pounders, 42 cwt	562	..	362
32 pounders, 46 cwt	57	..	57
32 pounders, 51 cwt	200	..	200
32 pounders, 57 cwt	700	..	700
8 inch, 55 cwt	172	..	172
8 inch, 63 cwt	385	..	385
8 inch, 106 cwt	14	..	14
8 inch, 90 cwt	4	..	4
10 inch, 87 cwt	27	..	27
IX inch Dahlgren	305	503	808
X inch Dahlgren	19	10	29
XI inch Dahlgren	32	291	323
13 inch mortars	..	200	200
20 pounder Parrott	..	214	214
30 pounder Parrott	..	237	237
100 pounder Parrott	..	180	180
150 pounder Parrott	..	60	60
XV inch smooth bores	..	36	36
20 pounder, rifled (Dahlgren)	..	13	13
Total	2,966	2,811	5,777

The old system of armament is represented in this table by the class of 10 inch, 8 inch, and 32 pounders; the new system by the rifled pieces and the smooth bore IX inch, X inch, and XI inch guns of Rear Admiral DAHLGREN, and the rifled guns of Mr. PARROTT, to which are added the ponderous and powerful XV inch guns introduced by Assistant Secretary FOX, as the special armament of the Monitors and other turreted vessels.

Of the new system, it is probable that over seven hundred guns of different calibres that are now in process of fabrication will be completed and added to the number given in the table by the end of the current year.

In arming our vessels, the primary object has been, recently, to place on board of them the heaviest and, consequently, the most effective guns which they could safely carry without reducing their speed or endangering their seagoing qualities.

The following general statement of the batteries of vessels of different classes, exemplifies the manner in which the guns of the navy are at present distributed:

COMPOSITION OF BATTERIES.

MINNESOTA—FIRST RATE.

One 150 pounder, rifled, } pivot.
One XI inch, smooth, }
Forty-two IX inch, smooth, }
Four 100 pounders, rifled, } broadside.
and two howitzers, }

BROOKLYN—SECOND RATE.

One 100 pounder, rifled, in pivot.
Twenty-two IX inch, smooth, }
One 30 pounder, rifled, } broadside.
and two howitzers, }

EUTAW—THIRD RATE.

Two 100 pounders, rifled, in pivot.
Four IX inch, smooth, }
Two 24 pounder howitzers, } br'side.
Two 20 pounders, bronze, rifled, }

OWASCO—FOURTH RATE.

One XI inch, smooth, } pivot.
One 20 pounder, rifled, }
Two 24 pounder howitzers, broadside.

NIPSIC.

One 150 pounder, rifled, pivot.
Two IX inch, smooth, broadside.
Two howitzers.

The armament of purchased vessels is conditioned according to their character, varying from fifteen guns in the

VANDERBILT.

Two 100 pounders, rifled, pivot; twelve IX inch, broadside, and one howitzer. In the active little tug Dandelion, two howitzers.

For the turreted iron-clads, we have in the

ROANOKE.

Two XV inch, two XI inch, and two 150 pounders, rifled.

And for the Monitors, in the

WEEHAWKEN.

One XV inch, and one XI inch.

Finally, as the representative of an iron-clad frigate, in the

IRONSIDES.

Two 150 pounders, rifled; fourteen XI inch, smooth; two 50 pounders, rifled, and two howitzers.

The armament of the Western gunboats, built for special service, is shown in the

CARONDELET.

Four IX inch, four 8 inch, one 32 pounder, and two rifled guns.

The large number of light-draught steamers were furnished with batteries of two, four, and six howitzers.

To the above should be added the mortar schooners, carrying 13 inch mortars, and broadside batteries of 32 pounders or 8 inch guns.

PROJECTILES.

The projectiles commonly used in the navy may be divided into two classes, the smooth and the rifled, and are used almost exclusively in their respective guns.

For the smooth bores we have the shot, shell, shrapnel, grape and canister, and the same for the rifles; excepting the grape and canister, which are not generally provided. The former are spherical, the latter elongated and of different forms and devices, as embraced in the systems of PARROTT, HOTCHKISS, SCHENCK, and others.

It is hardly possible to state with exactness the number of each kind of projectiles on hand and available March 1, 1861; but the following tabular statement may be of interest as showing the vast amount of all kinds which has been made at the yards or purchased at private establishments, for the use of the navy since that time:

CAST AT THE NAVY YARDS.

For smooth bores—			
Shells	262,174	Grapeshot, lbs	1,322,559
Shot	37,095	Canister shot, lbs	5,475,084
Shrapnel	128,600		
For rifles—			
Shells	53,489	Shot	6,641

PURCHASED.

For smooth bores—			
Shells	113,579	Shrapnel, Grape & canister, lbs.	2,637,237
Shot	7,489		
For rifles—		Shot	29,167
Shells	249,375	Shrapnel	19,068

GUNPOWDER MANUFACTURED.

Since March 1, 1861, there has been manufactured for the navy by the several powder mills in the loyal States:

Powder from foreign nitre, tons	2,676
Powder from domestic nitre	260
Purchased from individuals	44
Total tons	2,980

ORDNANCE MATERIAL IN THE CONTROL OF THE WAR DEPARTMENT.

In this connection, we give the following from the report of the Secretary of War, showing the quantities of the principal articles of ordnance materials in the control of the department at the beginning of the war, the quantities of those articles that have since been procured, and the quantities of those articles on hand on June 30, 1863.

Articles.	On hand beginning of the war.	Procured since war began.	Issued since war began.	On hand for issue June '63.
Siege and sea-coast artillery.	1,052	1,064	2,088	927
Field artillery	231	2,734	2,481	484
Firearms for infantry	437,433	1,950,144	1,550,576	836,001
Firearms for cavalry	31,268	338,128	337,170	42,226
Sabres	16,133	337,555	271,817	82,671
Cannon balls and shells	368,591	2,562,744	1,745,586	1,180,749
Lead and lead bullets, lbs.	1,301,776	71,776,774	50,049,515	23,024,025
Cartridges for artillery	38,248	2,238,740	2,274,490	492,504
Cartridges for small arms	8,292,300	522,204,826	378,584,104	151,013,012
Percussion caps	19,808,000	749,475,000	715,036,470	74,246,530
Friction primers	84,425	7,004,709	6,082,505	1,005,629
Gunpowder in pounds	1,110,584	13,424,368	13,071,078	1,463,874
Saltpetre in pounds	2,928,348	5,231,731	.....	8,155,079
Accoutrements for infantry	10,930	1,831,300	1,680,220	162,010
Accoutrements for cavalry	4,320	194,466	196,298	2,498
Equipments for cav'lry hors's.	574	216,653	211,670	5,582
Artillery harnesses, double	586	18,666	17,485	1,767

EXPENSES AND ESTIMATES.

The following are the expenses for the year, and the Secretary's estimates for the coming year:

The appropriations made for the fiscal year ending June 30, 1863, were	$71,587,052 00
Expenses of the department during the same time	63,211,105 27
Leaving an unexpended balance of	$8,375,946 73

This amount will, however, be absorbed in the completion and armament of vessels under contract, and the payment of other liabilities incurred prior to the close of the fiscal year.

The expenditures have embraced, besides the ordinary disbursements for the naval establishment, the construction in whole or in part, and the repair, of seventy-one iron clad vessels on the Atlantic and Western waters, the purchasing, repairs, and alterations of three hundred and sixty vessels, as well as the charter money for the ordinary service, and for the search after piratical vessels on the coast.

The estimates submitted for the fiscal year ending June 30, 1864, are as follows:

Pay of the navy	$19,423,241 00
Consumption and repair of steam machinery	39,363,000 00
Construction and repair of vessels	32,575,000 00
Construction of armor plated sea steamers	19,600,000 00
Ordnance and magazines	8,603,946 00
Fuel, hemp, and equipment of vessels	7,540,000 00
Provisions and clothing	6,915,605 00
Contingent and miscellaneous	3,869,850 00
Navy yards and superintendents	2,558,448 00
Marine corps	1,445,321 85
Surgeons' necessaries and hospitals	358,500 00
Tables of navigation, nautical instruments, and Naval Academy	366,873 55
Total	$142,618,785 40

These estimates are, as the Secretary says, large, but they are made upon a war basis, and the present extraordinary cost of material and labor renders a corresponding increase of estimates necessary. On the assumption that the war will continue—and no other rule is a safe one—large additions are to be made to our naval force, and the hard service to which all our squadrons are subjected makes the repairs and refitment expensive.

PRIZES.

On this subject the Secretary says:

The number of vessels captured by the squadrons and reported to the department to the 1st of November, is 1,045, classified as follows: schooners, 547; steamers, 189; sloops, 181; brigs, 80; barks, 26; ships, 15; yachts and small boats, 117. This is exclusive of a large number destroyed on the Mississippi and other rivers and on the coast. A table giving their names, dates of capture, and other particulars, is appended to this report.

At the close of the war of 1812 there were 301 vessels, including armed gunboats and tenders, in the navy, and the entire number of captures of armed and unarmed vessels made by them was 291. Five hundred and seventeen commissioned privateers were afloat during the war, and their captures numbered 1,428—making the total number of captures by public and private vessels 1,719.

The value of prizes sent to the courts for adjudication since the blockade was established is not less than $18,000,000. The value of those already condemned, and of which notice has been received at the department, is $6,538,683 40; the expenses have been $607 407 64, leaving for distribution $5,897,970 36, as appears by the following table:

	No. of cases.	Gross amount of sales.	Costs and expenses.	Net amount for distribution.
Boston	13	$864,322 15	$25,188 44	$839,133 71
New York	89	2,218,263 29	281,162 07	1,937,735 21
Philadelphia	57	*1,859,434 76	149,806 06	1,670,512 97
Key West	71	1,432,952 30	133,291 55	1,504,053 51
Washington	44	72,091 62	11,966 12	60,909 08
Illinois	11	91,619 28	5,993 40	85,625 88
Total	285	$6,538,683 40	$608,407 64	$5,897,970 36

One-half of the net proceeds arising from the sale of prizes is by law set apart as a fund for the payment of naval pensions. The pension roll on the 6th of November last amounted to $159,812 55, and the estimated increase during the remaining eight months of the fiscal year is $32,570. The moiety of prize money dedicated as a pension fund, and now accumulating, should be made a permanent investment in registered government securities. Were such the case, it is believed that the annual interest would be sufficient to meet all liabilities for naval pensions. At least $2,500,000 can now be invested without interfering with the prompt payment of pensions. I recommend that the fund now on hand be made permanent, and that hereafter, whenever the amount shall reach $100,000, at least one-half shall be invested in registered government securities bearing six per cent interest.

SYNOPSIS OF THE POSTMASTER-GENERAL'S REPORT.

THE Postmaster-General reports that during the last fiscal year the financial condition of his department has been one of unusual prosperity. The revenue has nearly equalled the expenditures, the latter amounting to $11,314,206 84, and the former to $11,163,789 59. There is good reason to believe that the department will be self-sustaining in a brief period of time.

* The sum of $39,115 78 allowed to claimants by decree of court.

The whole number of post offices existing on the 30th of June, 1863, was 29,047, being an increase on the preceding year of 172. Eight hundred and thirty offices have been established, and 658 have been discontinued.

The number of special agents on June 30, 1863, was 16, with an aggregate salary of $26,500; and 387 route agents, at an aggregate salary of $289,260; also 45 local agents, at $27,824. Baggage masters in charge of express mails had received $7,440.

The total cost of transatlantic mail steamship service was $332,184. This price covered one hundred and thirty-two round trips to various European ports.

The Postmaster-General regrets to state that no progress has been made in negotiations for a new postal convention with Prussia, embracing the States comprising the German Austrian Postal Union, on account of some obstacle presented by Austria in regard to territorial transit charges.

He renews his recommendation of March 3, 1862, to the postal committees in Congress, that all private ships departing from the United States for foreign ports should be required, as a condition of clearance, to convey mails on such terms as may be allowed by Congress.

During the year the increased length of routes has been 5,585; but the annual cost of mail transportation has decreased $113,258, or about two per cent.

The value of stamps issued to postmasters during the year is $9,683,382, stamped letter envelops $634,821, and stamped newspaper wrappers, $20,545. The total value of these sold to the public was $9,624,529, being an excess over the previous year of $2,714,397.

The Postmaster-General renews his last year's recommendation to Congress to authorize him to adjust and allow the claims of postmasters who have sustained losses of stamps and stamped envelops by reason of the occupation and robbery of their offices by bodies of armed men.

These claims thus far presented amount to about $8,000. He calls attention also to the fact that these postmasters have suffered greatly in the loss of private property.

He requests additional legislation in respect to post office thefts, and recommends that the stealing of letters and stamps be made a penal offence.

THE DEAD LETTER OFFICE.

There has been a continued increase of letters, containing money and other valuables. The number of dead letters covering deeds, bills of exchange, drafts, and other valuable papers, received, registered, and returned for delivery to the writer was 8,322, with an aggregate nominal value of $1,544,277—of these 7,559 were delivered to the owners.

Letters registered and mailed containing money numbered 18,219. Of these 15,018, containing $63,627, were finally delivered.

Sixteen thousand seven hundred and sixty-three letters of less value were received, nearly 10,000 of which contained daguerreotypes, and 8,273 were returned to their writers or owners.

The Postmaster General recommends that a postal order money system be established to facilitate the transmission of small sums through the mails, which he is confident would prove not only a great convenience to soldiers and citizens, but almost entirely obviate the loss of this class of remittances.

In regard to letters addressed to points in the rebellious States, the Postmaster-General says: "By reason of the continued suspension of regular postal communication with sections of the country under insurrectionary control, a considerable number of letters, amounting in the aggregate to 24,314, found their way, by various channels, to the Dead Letter Office. Of this number 3,312 were foreign, and were returned to the countries where they originated. Those originating in the loyal States were turned over to the military authorities, and, after examination, most of them sent by flag of truce to their destination.

The Postmaster-General has instructed postmasters to forward to the Dead Letter Office, except in special cases, all letters remaining unclaimed one month after being advertised, instead of two months as formerly.

In conclusion, he asks the consideration of Congress of the revised code of laws submitted by him at the last session, which is mainly a digest of existing postal laws.

TREASURER'S REPORT OF THE STATES IN REBELLION.

THE following extracts taken from the Treasurer's report of the Confederate States is full of instruction, and shows the wisdom of all we have said in these pages respecting the danger of Government paper issues. Owing to our greater wealth and resources we have as yet been able to stand up under the unfortunate financial policy that has been pursued. But can we do so if this war is to be continued two or three years longer and our paper money correspondingly increased? We are extremely glad to see that Secretary CHASE, in his last report, states that it is his determination hereafter to raise by taxation and by borrowing what we need, and we trust this course will be pursued. When the war broke out we advised to tax the wealth and the productions of the country to an amount sufficient each year to pay at least half of the expenses which the war would be likely to bring upon us, and then to raise the balance by going into the market and borrowing. A moderate amount of treasury notes might have been issued, perhaps, without raising prices, for the increased expenditures of the Government made room for increased currency. Still, that time is past, and now all we can do is to provide against future expenditures. We should act on the supposition that this war is to be carried on two or three years longer; for if we do not so act and the war does continue, our system will be as flat as is that of Mr. MEMMINGER'S, and its fall will prostrate, as it has in the South, the vital interests of the whole country.

We do not see, however, how the Southern Congress can solve the problem they have before them. Their Government is, certainly, financially in a very bad condition. Taxation, and that of the most positive character, can alone relieve them, and this will sorely try the earnestness and ability of their people the coming year. We hope these additional sacrifices, thus to be met, will lead them to conclude that peace is better than war.

The following are the receipts and expenditures of the States in rebellion, with the funded and unfunded debt for the past year, exclusive of the foreign loan for the same period:

RECEIPTS FROM JANUARY 1 TO SEPTEMBER 30, 1863.

For eight per cent stock	$107,292,900
For seven per cent stock	38,737,650
For six per cent stock	6,810,050
For five per cent call certificates	22,992,900
For four per cent call certificates	482,200
Cotten certificates, act April 21, 1862	2,000,000
Interest on loans	140,210
War tax	4,128,988
Treasury notes	391,623,530
Sequestration	1,862,556
Customs	934,798
Export duty on cotton	8,101
Patent fund	10,794
Miscellaneous, including repayments by disbursing officers	24,498,217
Total	$601,522,893

EXPENDITURES DURING SAME PERIOD.

War Department	$377,988,244
Navy Department	38,437,661
Civil, miscellaneous, etc	11,629,278
Customs	56,636
Public debt	32,212,290
Notes canceled and redeemed	59,044,449
Total expenditures	$519,368,559
Total of receipts	601,522,893
Balance in treasury	$82,154,334
From which is to be deducted the amount of treasury notes which have been funded and brought in for cancelation, but have not yet been regularly audited, estimated	65,000,000
Total	$17,154,334

The public debt (exclusive of the foreign loan) at the same period was as follows:

FUNDED.

Eight per cents	$207,128,750
Seven per cents	42,745,600
Six per cents	41,006,270
Six per cent cotton interest bonds	2,035,000
Total	$292,915,620

UNFUNDED.

Treasury notes: general currency	$603,632,798
Two-year notes	8,477,975
Interest notes at 3.65	627,450

Interest notes at 7.30	$122,582,200
Under $5	4,887,095
Five per cent call certificates	26,240,000
Total	$766,447,519
Deduct amount of treasury notes funded and canceled.	65,000,000
Total	$701,447,519

In order to estimate the amount of treasury notes in circulation at the date of this report, there must be added the further sum of one hundred millions for the two months which have elapsed since the date of the above schedules.

The balance of appropriations already made by Congress, and not drawn on September 30, stood as follows:

War department	$395,502,698
Navy department	24,413,645
Civil, miscellaneous, etc	56,240,996
Customs	294,460
Total	$476,451,799

The estimate submitted by the various departments for the support of the government, are made to 1st July, 1864, the end of the fiscal year, and are as follows:

Legislative department	$309,005
Executive "	52,350
Treasury "	22,583,359
War "	438,078,870
Navy "	13,624,945
Post-office "	8,908
State "	544,409
Justice "	222,587
Total	$475,498,493

If these estimates be extended to embrace the remaining six months of the calendar year, they must be doubled, and that sum added to the undrawn appropriations would make an aggregate of $1,427,448,778.

Mr. OLDHAM of Texas submitted to the Rebel Senate, on the 22d of December, a plan of financial relief, the main feature of which is the levy of such a tax as will extinguish a large portion of their debt. For instance, he proposes a tax of fifty per cent on all outstanding Treasury notes, and a certain other tax on all Government securities, on the ground that the amount left after the tax would be worth as much as the whole is now. This plan is similar to that suggested by JEFFERSON DAVIS in his message.

ARE UNITED STATES TREASURY NOTES A LEGAL TENDER?

DECISION OF THE COURT OF APPEALS OF NEW YORK.

We have already announced the decision of the Court of Appeals of New York State, holding that Congress had the power to declare treasury notes lawful money, and to make them a legal tender. This question has now been carried to the Supreme Court of the United States, and in order that our readers may fully understand the points at issue and examine and weigh for themselves the arguments used, we give this month the opinion of two of the judges of the Court of Appeals, to wit: that of Justice Balcom, in favor of, and Justice Denio against the conclusion of the court. We should be glad to give the opinions of the other judges, but their great length prevents our doing so. It will be remembered that in July last we published opinions of two of the justices of the New York Supreme Court on this same question.

LEWIS H. MEYERS, Plaintiff and Appellant *vs.* JAMES J. ROSEVELT, Defendant and Respondent.

The facts of the case are as follows: The defendant held a bond and mortgage, that the plaintiff had obligated himself to pay, and which became due in August, 1857. They were given to secure the repayment of a loan of $8,000, made by the defendant in gold, or its equivalent, in 1854.

In June, 1862, the plaintiff, desiring to pay and discharge the mortgage, tendered to the defendant $8,170 (being the full amount of principal and interest due on the same), in notes of the United States, issued under the act of Congress, approved February 25, 1862, entitled "An act to authorize the issue of United States notes, and for the redemption and funding thereof, and for funding the floating debt of the United States."

The defendant refused to receive the same, as legal tender, and claimed that the repayment should be made in gold coin of the United States, as being the money in which the loan was made. But he received the notes conditionally, under an agreement with the plaintiff, that the question, whether said notes were a legal tender in payment of the mortgage debt and interest, should be submitted to the court; and if the court should decide that said notes were a legal tender and discharge of said bond and mortgage, then the defendant should deliver up said bond and mortgage, and acknowledge satisfaction thereof, and discharge the same of record. But if the court should decide otherwise, the plaintiff should pay to the defendant the further sum of $326.78, with interest from the 11th day of June, 1862, to entitle him to the bond and mortgage and to have the same canceled of record.

The Supreme Court held that the United States notes were not a legal tender in payment of said mortgage debt; and that the plaintiff must pay the defendant the further sum of $326.78 and interest from the 11th day of June, 1862, and gave judgment accordingly in favor of the defendant, The plaintiff appealed from the judgment to this court.

OPINION OF JUDGE BALCOM,

HOLDING THAT UNITED STATES NOTES ARE A LEGAL TENDER, AND REVERSING THE JUDGMENT OF THE SUPREME COURT.

BALCOM, J. The bond and mortgage which the plaintiff offered to pay to the defendant, in notes of the United States, were given to secure the repayment of a loan of $8,000, made in gold or its equivalent, in 1854. The borrower was to pay the interest thereon semi-annually, and the principal in August, 1857. The plaintiff obligated himself to pay the bond and mortgage; and the question in the case is, whether he could discharge the same by a tender of the amount due thereon in notes of the United States.

The notes tendered were issued under and by virtue of the act of Congress, approved February 25, 1862, which authorized the Secretary of the Treasury of the United States, to issue on the credit of the United States, one hundred and fifty millions of dollars of United States notes, not bearing interest, payable to bearer, at the treasury of the United States, in denominations not less than five dollars; and the act declares that such notes "shall be lawful money, and a legal tender in payment of all debts, public and private, within the United States," except duties on imports and interest on certain bonds of the United States.

The principal point made by defendant's counsel is that Congress had no authority to pass this act; and the principal questions in the case are, whether Congress has power to make anything but gold and silver coin a tender in payment of debts, or to pass any law impairing the obligation of contracts.

I agree that Congress does not possess this power if it is not conferred upon it by the Constitution of the United States; for whatever power or authority it has is granted to it by that instrument.

The Constitution expressly confers power upon Congress "to borrow money on the credit of the United States;" "to coin money, regulate the value thereof and of foreign coin;" "to declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water;" "to raise and support armies;" "to provide and maintain a navy;" "to provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions;" and "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof." (Cons. art. 1, § 1.) It declares that, "the United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion." (Art. 4, § 4.) Also that "this Constitution and the laws of the United States which shall be in pursuance thereof; and all treaties made, or which shall be made under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby; anything in the Constitution or laws of any State to the contrary notwithstanding." (Art. 6, sub. 2.)

The Constitution authorizes the formation or erection of new States within the jurisdiction of others; and also the formation of new States by the junction of two or more States, or parts of States, by the consent of the legislatures of the States concerned as well as of the Congress.

(Art. 4, § 3.) All the States (subject only to this exception), must forever remain in the Union in the same shape they were admitted. No right of secession is reserved to any State, or its citizens, by the Constitution, and none can be implied or spelled out from its provisions or history, or by the application of any principle of public law. The Union is indissoluble except by an amendment of the Constitution, or its abrogation, in a legal manner.

The doctrine that the federal Constitution is but a compact between the States, and that any State can lawfully withdraw from the Union by a legislative act of such State, or a resolution of a convention of its people, needs no special notice. It is almost as absurd as the idea that the Constitution of a State is a mere compact between counties, and that a county can secede from a State government at the pleasure of the inhabitants of such county.

I have enumerated but a small number of the powers specifically granted to Congress and the government of the United States by the Constitution. But I think I have mentioned enough to show that the Constitution provides a strong government, which has the right of self-preservation, against all unlawful combinations or revolutionary proceedings for its overthrow. And no one can doubt that an army and navy, as well as the militia of the several States, are lawful and constitutional means, when others are insufficient, for putting down a rebellion and preserving the Union. The authority to call forth the militia to execute the laws of the Union, suppress insurrections and repel invasions, implies no prohibition against employing the army and navy for such purposes; nor does it imply that the militia cannot be used for suppressing a rebellion as well as a mere insurrection. A contrary doctrine would make the government of the United States almost as feeble as the old confederation was, which was abandoned by reason of its weakness.

These views are entirely consistent with all legitimate State rights. They only make such rights subordinate to certain great powers that the people granted to Congress and the national government, by the adoption of the Constitution of the United States, in order to form a more perfect union, establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to themselves and their posterity. (Preamble to Const.)

No State can coin money; make anything but gold and silver coin a tender in payment of debts; or pass any law impairing the obligation of contracts. (Art. 1, sec. 10, sub. 1.) But Congress is not prohibited from doing either of these things, although it is prohibited, as well as the States, from passing any bill of attainder, or *ex post facto* law, or granting any title of nobility. (Art. 1, §§ 9, 10.)

At the time the act in question was passed, the legislatures, or conventions, in nine States of the Union, had adopted pretended ordinances of secession from the Union; and a large portion of the inhabitants of such States, if not a majority of them, were in open rebellion against the government of the United States, and at least three hundred thousand of them were armed and doing all they possibly could to overthrow such government; and their numbers were rapidly increasing.

So formidable a rebellion had never been known; and the means to be provided for its suppression were necessarily greater than any government, ancient or modern, had ever furnished suddenly for any purpose. It fore-

bode the greatest and bloodiest civil war the world has ever seen. The very existence of the Union was imperiled and at stake; and the question that agitated all minds was, can the federal government be maintained, or must it be overthrown by the wickedest and most groundless rebellion ever organized in any age or country.

These facts show that a navy of unprecedented magnitude and an army of at least half a million of soldiers, besides the militia of the several States, were necessary to preserve the government, maintain the Constitution, and excute laws of the Union.

Congress had the authority, and it was its duty, to provide and maintain such a navy—to raise and support such an army, and to provide for calling forth the militia. But such a navy could not be provided and maintained, or such an army raised and supported, and the expense of calling forth and supporting the millitia defrayed, without adequate pecuniary means and without the expenditure of vastly more money than could have been borrowed in the entire world.

Could Congress have been justified, by the Constitution, if it had permitted the republic to perish, because enough gold and silver coin could not be borrowed to save it? I answer no; and the Constitution itself answers no.

The Constitution plainly requires Congress to pass all laws which were necessary and proper for raising, maintaining, and supporting a navy and armies, large enough and powerful enough to put down the rebellion, and preserve the Union and the Constitution. And when Congress could not do all this without making the notes of the United States a legal tender in payment of private, as well as public debts, it was its duty to do that, even though the act impaired the obligation of contracts.

It seems to me to be very plain that the Constitution authorizes Congress to pass such a law whenever necessary and proper for raising, maintaining, and supporting a navy and armies to maintain the Union, preserve the Constitution and execute the laws of the United States. And the word *necessary*, in this connection, may mean needful, requisite, essential, or conducive to. (*McCulloch* v. *The State of Maryland*, 4 Wheaton, 316.)

It is not probable that such an act will ever be deemed necessary or proper in time of peace; and the one in question will undoubtedly be repealed, and the notes issued under it called in, and a metallic currency restored, as soon after the present rebellion shall have been suppressed, as the interests of the people shall require, or as such a course will conduce to the general welfare.

Whether this act was necessary and proper at the time it was passed, was for Congress to determine. But I do not doubt that it judged correctly and wisely when it determined this act was necessary and proper in view of the then existing condition of our national affairs. That it judged wisely in passing this act the astonishing success that has attended its execution fully proves. No nation has ever succeeded so well financially, in any great war, as the United States has in this, by reason of this law. All loyal citizens have prospered pecuniarily from the time it was passed. Such a thing as pecuniary distress, in the loyal States, on account of the war, or by reason of the financial measures of the government, has not been heard of.

Without this law there must have been the most terrible distress

throughout the land. We should have had the most frightful intestine commotions; anarchy would have taken the place of law and order in our cities and most populous towns. And it is probable the republic itself would have been subverted ere now, or have become too weak to be respected by other nations, if this law had not been passed.

I cannot doubt, as the States only are prohibited by the Constitution from making anything but gold and silver coin a tender in payment of debts, or from passing any law impairing the obligation of contracts, that Congress may enact that the notes of the United States shall be a legal tender in payment of debts, and designate such notes lawful money; and also pass laws impairing the obligation of contracts, whenever such laws are necessary and proper for carrying into execution any of the powers expressly conferred upon Congress, or vested in the government of the United States by the Constitution. And as this act was necessary and proper for carrying into execution powers expressly granted to Congress by the Constitution, to wit: the powers to borrow money, to raise and support armies, to provide and maintain a navy, to provide for calling forth the militia to execute the laws of the Union and suppress insurrections, Congress had power to pass it, unless it is an *ex post facto* law, or deprives persons of property without due process of law, as to which I shall soon speak.

I will not say this law could not be sustained on the broad ground that the government of the United States has the right of self-preservation, and that it was necessary for that purpose. Nor shall I hold that Congress was not authorized to pass it, by virtue of the power granted to it to coin money and regulate the value thereof. A very able argument has been made by one of the defendant's counsel, to show that this power authorized the passage of this law, in which he quotes from Blackstone, that "money is an universal medium, or common standard, by comparison with which the value of all merchandise may be ascertained; or it is a sign which represents the respective values of all commodities." (1 Blk. Com., 276.) But it is unnecessary to determine these questions and I will not express any opinion respecting them.

This act is not an *ex post facto* law. For it is well settled that the phrase "*ex post facto* laws" is not applicable to civil laws, but only to penal and criminal laws. (*Watson* v. *Mercer*, 8 Peters' Rep., 89.)

Nor is this act in conflict with the constitutional inhibition against depriving persons of property without due process of law. (Amendments, art. 5.) It does not deprive any person of property, although it requires creditors to take notes of the United States in payment of debts, which their debtors had previously agreed to pay in gold or its equivalent: for it makes such notes as valuable as gold coin, in the hands of every person receiving them, for all commercial purposes, and for the payment of all debts, except those for duties on imports; and this exception is too insignificant to justify a holding that the act deprives persons of property in any legal sense of the term. I of course lay out of view the fictitious difference created by brokers and speculators between the value of gold coin and such notes, as having no legitimate bearing upon the question. That difference cannot be regarded, because it is not recognized by law; and all agreements to pay any such difference are utterly void.

A judgment cannot be recovered for more than one thousand dollars, besides interest, for the wrongful conversion of one thousand gold dol-

lars, whatever premium may be paid therefore at the board of brokers in the city of New York or elsewhere, and such a judgment may be paid, dollar for dollar, in notes of the United States.

Each five dollar note, issued under this act, is precisely of the same value, in legal contemplation, as a piece of gold coin of the denomination of five dollars; and if all citizens would strictly observe this law, as they should, any person could obtain five dollars in gold coin for one of these notes at any place where such coin is to be had.

If a promissory note should now be given for one hundred dollars, for a loan of twenty of these notes, and this law should be repealed before the repayment of such loan, the person making the loan could exact one hundred dollars and interest, in gold and silver coin in satisfaction of the debt.

This law must be judged as if every person lived up to it and had full faith in the ability and willingness of the federal government to pay these notes in coin and to maintain itself under all conceivable circumstances; and when it is judged in this manner, it does not deprive any person of property in a legal sense of the term.

I have not deemed it either necessary or expedient to go into the history of the Constitution, or to refer to the debates of the convention that framed it; or to cite many authorities to sustain the foregoing positions or conclusions. They seem to me to be so clearly correct and so well grounded in good sense, that such labor is wholly unnecessary.

I will, however, remark that there is nothing in the history of the Constitution, or in the debates of the convention that framed it, or in any book of authority, in conflict with the views and conclusions I have expressed.

For these reasons I am of the opinion the act of Congress, approved February 25, 1862, is not repugnant to any provision of the Constitution of the United States, and is valid.

It follows that the judgment of the Supreme Court, in the case, should be reversed, and one given for the plaintiff, declaring that the notes of the United States, issued under such act, were and are a legal tender in payment of the defendant's bond and mortgage, and that he deliver the same to the plaintiff to be canceled, and acknowledge satisfaction of the mortgage and cancel the same of record, and that the plaintiff recover the costs of the appeal to this court.

OPINION OF JUDGE DENIO,

HOLDING THAT UNITED STATES NOTES ARE NOT A LEGAL TENDER.

Denio, C. J. The subject of private contracts, embracing the manner in which they may be made, and in which they may be discharged, lies within the domain of State legislation. The States were distinct political communities at the formation of the Constitution, retaining, notwithstanding the confederation under which they associated during the revolutionary contest, nearly all the powers of municipal government and local administration. It was not the system of the Constitution to abolish or materially abridge these powers of the State governments, though they were subjected to some important restraints and qualifications, all

of which, however, assume, so far as private contracts between citizen and citizen are concerned, the general jurisdiction of the States over the subject. Contracts when once made in conformity to the laws of the State, cannot, according to a provision of the Constitution of the United States, be impaired by State legislation. But it may be done by Congress incidentally. Under the power to establish a uniform system of bankruptcy, for example, debtors may be discharged from their obligations, through the agency of the general government. Nor is this all. Many express powers of great importance, and which were considered, and were in fact necessary to the existence and perpetuation of the national government, were conferred upon Congress; which was, moreover, invested with the power to make all laws which should be necessary and proper for carrying these powers into execution. In exercising these federal powers, it has sometimes happened, and it may occur again in more ways than can be enumerated or anticipated, that the pecuniary and business arrangements of citizens may be interfered with, and their contracts, though lawfully valid when made, may be annulled or modified. Under the power to regulate commerce, and to declare war, acts may become impossible or unlawful, which were before legitimate subjects of business stipulations, and in respect to which such stipulations had been actually entered into. These are the necessary results of another provision of the Constitution which declares, in effect, that itself, and the laws of the United States made in pursuance of it, and public treaties, shall be the supreme law of the land, and shall prevail against the State Constitutions and laws, when in conflict with them. But with these qualifications, the whole subject of private property, its acquisition and forfeiture, its mode of enjoyment and transmission between living persons, and its devolution by will and upon intestacy, and all executed and executory contracts respecting it, are left to be regulated wholly by the laws of the respective States.

It seemed necessary to state these principles, for, although no question has been made respecting them, they have an important bearing upon the controversy which we are called upon to decide, and indeed, form the basis of all just reasoning, upon the powers of the general government. The mortgage executed by Bowne and his wife to the defendant, the alleged payment of which was in question in this case, was a lawful contract by which real estate in this State was conveyed to the latter to secure the payment of a certain amount of money. It is stated to be payable in lawful money of the United States of America, but I lay no stress upon that expression. It was a security for the payment of money, and that is all which seems to me important. The lands thus conveyed by way of mortgage, have been transferred to the plaintiff subject to the lien; and he claims a right to pay the debt and redeem the incumbrance, by giving to the creditor, the defendant, an amount equal to the principal and interest, in the treasury notes of the United States, issued pursuant to the late act of Congress. The defendant refuses to accept these notes as payment, and the question is, whether he is compellable by law to do so. The contract was a valid one under the laws of this State, and it calls for the payment of a certain sum of money. The question as to what shall amount to payment or performance, is, *prima facie*, one which is to be determined by the State laws. The federal Constitution, which is a part of the law of the State, prohibits anything being made a tender

in payment of debts, by State authority, but gold and silver coin. It is clear, therefore, that the offer of the treasury notes was not a lawful tender of payment, unless the act was a legitimate measure for the execution of one or more of the powers which the Constitution has conferred upon Congress. That act declares in express terms, that the treasury notes of the class which were offered to the defendant, shall be lawful money and a legal tender for all debts, public and private, within the United States, except duties on imports and interest on government bonds and notes. (37th Cong., 2d sess., ch. 33, § 1.) The single question in this case is, whether Congress had the constitutional right to enact this law; and that depends upon a comparison of its provisions with the powers with which the Constitution has clothed Congress. The problem to be determined is, whether the relation of means and end exist between them. I shall confine myself to that feature of the law which provides for forced payment of private debts; for it is not doubted by any one but that the government may declare its own obligations receivable in payment of debts due to itself.

It has been argued that there is no warrant in the Constitution for the issue of federal securities for the purpose of being used as a currency, though unaccompanied with a provision making them a legal tender among individuals. If this position could be established the notes which were tendered in this case, being illegal, would be ineffectual for any purpose. In the view I have been compelled to take of the principal question, this subordinate one is not necessary to be considered. It is proper, however, to say that it could scarcely become a judicial question in any case. The right to issue the obligations of the government for money borrowed or for property or services furnished for national purposes is not and cannot be questioned. The form and denomination of such securities are matters which belong to the discretion of the government making them; and if an issue could be raised upon the intent to have them circulate as the representative of money, I should still think that it would be legally unobjectionable to so accommodate them to the business wants of the community, as to make it the interest of successive holders to continue them in circulation, and thus benefit the treasury by deferring the time of their presentment for payment. It has been urged that such issues of paper would be an emission of bills of credit, as understood at the time the Constitution was framed, and that the making of them was expressly forbidden to the States and not committed to Congress. In support of this view it is shown that an express authority to issue such paper was at one time inserted in the draft of the Constitution, in connection with the power to borrow money, but was stricken out on the motion of a deputy from New York. Upon an examination of the extract from the debates which was referred to in the argument, I am of opinion that it cannot be affirmed that this change was made from an intention positively to prohibit the issue of such obligations, but that it was done from the apprehension that if the power to make them was expressly conferred, the legislature might, under the idea of declaring their effect, have engrafted upon them the quality of a legal tender. If the authority was left as an incident to the power to borrow money, purchase property, or pay debts, no such consequence, it was thought, would follow. If it had been designed to prohibit their issue, under any circumstances, by the government of the Union as well as by the States, it is

presumed that a similar prohibition would have been applied in terms. If the effect of this debate was different from what I conclude it to be, I should still hesitate to allow it any considerable weight in construing the Constitution. The only safe way, in my opinion, to deal with that instrument is to look at its language in connection with its contemporaneous history and the known circumstances of the times, and to attach such meaning to it as we conceive the people who adopted it would have given. I shall assume, therefore, that there does not exist any constitutional objection to the currency which was issued under the act of Congress, which we are considering; and that the only question which we can entertain arises upon the mandate that the notes shall be a legal tender in the payment of private debts.

The express power committed to the general government "to coin money, regulate the value thereof, and of foreign coin," and the denial of that power to the States, may be considered as a further qualification of the State jurisdiction over private contracts. Without these provisions the right to determine what should constitute money in transactions between citizens, would have remained, along with the mass of general legislation, in the several State governments. But the inconvenience which had arisen from the different denominations of money which were in use in the several States, and which had grown out of their separate existence as colonies, and the desire to establish a system of coined money upon the decimal principle, which should accurately represent the money of account, led to the vesting of the power over the subject of coined money in the new government.

I shall spend no time in proving that the coining power referred to relates, and is limited to the fabrication and regulation of *coins* properly so called. I have carefullly considered the ingenious argument on that subject, which has been submitted orally and in writing by one of the counsel who maintained the validity of the legal tender provision; but those suggestions have not created in my mind the slightest doubt that the language is to be understood in its most obvious and natural sense. Coins are, in our language, pieces of metallic money; and the coining of money is the formation of such pieces by such mechanical means as are appropriate to such an operation. There is not the smallest reason to suppose that the word was used in the Constitution in any non-natural, recondite or figurative sense.

The language is, to my mind, so distinct and precise as not to admit of reasoning. But if it were in any manner equivocal, the connection in which it is found in the several places where it is used in the Constitution would determine its meaning to be such as I have mentioned. In the principal clause the value of the coin to be made is to be regulated by Congress; but this could not be predicated of the obligations of individuals or of governments, the value of which is either the absolute amount stipulated to be paid, or their worth arising out of the fluctuating considerations of the pecuniary means and ability of the promisors, and the interest to be paid, and the time of payment of the principal—the last of which circumstances must vary every day by the efflux of time. The value of foreign coin is also to be regulated, but it is impossible to suppose that this could refer to securities executed in foreign countries. Then in the clause referring to the punishment of counterfeiting, a sharp distinction is apparent between the public *securities* and the current *coin* of

the United States; and in the clause prohibitory of the power of the States, it is forbidden to them to coin money and to emit bills of credit, which plainly shows that these are separate and distinct acts; and in the same sentence, where the prohibition is inserted against making anything but the precious metals a tender, it is called gold and silver coin. If the determination of the case depended upon the meaning of the express power to coin money, I should not, as I have mentioned, be able to entertain the smallest obligations of the general government in whatever form they may be issued.

Let us then consider whether the power to make these notes a legal tender results from any of the express powers conferred on Congress. Among the attributes expressly conferred is the very extensive power to regulate commerce; and the enactment of the legal tender provision has sometimes been referred to that clause. But it has no bearing upon the transactions of citizens which are limited to a single State; the power relating only to commerce with foreign nations, and among the several States, and with the Indian tribes. This enactment does not propose to regulate foreign or inter-state commerce, or to be in any sense a regulation of that subject. It compels the citizens in all places, and at all times, and under all circumstances to receive the treasury notes in payment of debts, whether these debts had any connection with a commercial transaction or were wholly foreign to and independent of it. Whether a law introducing the treasury notes into foreign and inter-state commerce, and compelling their reception as money when offered in connection with transactions of that nature, could be sustained, will perhaps depend upon some considerations, to which I shall presently advert.

It may be said that any measure which tends to promote internal traffic, and facilitate domestic changes, would incidentally influence foreign commerce. The same may be said respecting the whole subject of private exchanges and contracts. But to embrace all these subjects within the power to regulate commerce, would be to break down all distinctions between the national and State governments, and commit the whole subject of internal government to the discretion of Congress.

I concede that it is not incumbent upon those who argue for the validity of the legal tender clause to select any one express power and to maintain that the provision is a legitimate execution of that power. They may group together any number of these grants of legislative authority, and if the right to enact that provision is fairly deducible from any or all of them—their position is established. The power to raise money, for raising and maintaining a public force by land and by sea, to pay the public debts, and indeed nearly all of the enumerated powers, require or at least suppose the necessity of the obtaining, possessing, managing, and disbursing moneys to a large and indefinite amount. No idea can be formed of the government of a great country, though the power of legislation should be restricted to external affairs, which would not require such government to be an immense dealer in money and commodities of almost every kind. The strong public necessity for obtaining pecuniary means to carry on the government and to effectuate the great purposes for which it was established, have not been and cannot be overstated, whether we advert to the imminent crisis which is this day upon us, or consider it in its usual condition of peace and tranquillity. It was quite appropriate to advert to the present condition of the country to

show that the necessity for obtaining funds may be so sudden, fluctuating, and spasmodic that the public needs will not wait upon the regular receipts of revenue, but must sometimes be met by extraordinary exertions, and entail pecuniary sacrifices upon the public and individuals. Still the Constitution furnishes the measure of the national authority, in war as in peace; and, as judges, our duties are limited to the construction of that instrument, according to our best judgment of its actual meaning. The immediate question is, therefore, as has been stated, whether the various powers committed to Congress, which require, in order to their due execution, the acquisition and use of large and often fluctuating amounts of money, empower the national government to annex to the notes, which I concede it has a right to issue, a quality which shall compel individuals to receive them in payment of debts against their will.

It is a circumstance connected with the inquiry, though not material to the view which I take, that by the arrangements of the act the notes are not payable in coin; for the quality which makes them receivable for all public and private debts, authorizes the government to redeem them in other notes of the same kind, so that they are to constitute a medium of payment and exchange which is to be quite distinct from gold and silver money, and not convertible into it, and which, by the well known laws of currency, will displace the latter from circulation, and will cause it to depreciate, in comparison with that standard, in proportion to the amounts which may be issued. To force them upon the creditor as payment contrary to the general laws of the States, which do not authorize debtors thus to discharge their obligations, is to enter into the domain of the State legislature and to supersede to that extent the operation of the State laws. This is not necessarily a fatal objection, for if the provision annexing the quality of legal tender to the notes is a necessary and proper law for carrying into execution the powers expressly conferred upon Congress, and is not forbidden by any part of the Constitution, it changes or abrogates, by virtue of the pre-eminence attributed to federal legislation, when constitutional, all State laws and Constitutions so far as the exigency of the case may require.

We are to consider, then, whether the provision in question is necessary and proper to the execution of the various enumerated powers which require the obtaining and disbursment of moneys for national purposes. And we observe in the first place that certain means are specifically provided by the Constitution for obtaining funds for public objects. Congress is empowered to levy and collect taxes, duties, imposts, and excises to an extent limited only by the public purposes to which moneys may be applied; and to borrow money to the like extent on the credit of the United States. In addition to these means, it may dispose of the territory and other property of the United States, and of course may receive the equivalent for such disposition in money. I do not at this moment inquire whether the controverted provision is within any of these last mentioned express powers, namely, those of taxation and borrowing, but whether, under the other delegations of authority which require for their execution the possession of pecuniary means, it was competent for the government to oblige the citizen to accept these notes as cash, for the purpose of gaining, by means of the circulation which such a quality would give them, additional pecuniary resources for the purposes of the

government. I am of opinion, that this would be quite too far removed from the delegation of power to be considered an enactment framed for its execution. I think, moreover, that the Constitution did not contemplate and does not admit of the raising of moneys from the people except by taxation and by borrowing, or by the sale of the public lands and property. Pecuniary means gained by the circulation of paper not bearing interest, are the profits which bankers acquire by their peculiar business. It is a well known pursuit in which individuals may engage, by government license, when that is required by law, and without it, when it is not exacted by some legal requirement. I think that so far as the immediate question is concerned, the government has an equal right to authorize the national treasury to embark in any other of the pursuits of business by which money is acquired as in this of making profits by the forced circulation of its notes, under this legal tender clause. Hence I conclude that the disputed measure cannot be justified as an execution of any of the powers requiring the possession and authorizing the expenditure of money.

Then as to the express power to borrow money on the credit of the United States, which is the delegation of authority principally relied on. The ordinary operation of effecting public loans is sufficiently simple and obvious, and I have already said that I perceive no valid objection to arranging the securities in such a form as that the lenders, and those who may take such securities by transfer, shall be willing to hold or circulate them instead of immediately presenting them for redemption. The power to borrow money implies the giving of obligations for its re-payment. The form of these is matter of convention between the parties to the loan, and is an incident of the principal power. To the extent which they will circulate upon the credit of the government, the incidental advantage is legitimately obtained.

But it is a step far beyond this to require that all persons shall receive them in payment of all manner of obligations. This has no natural relation to the contract of borrowing. The parties who are thus obliged to receive the borrower's obligations are not parties to the loan, and have no necessary connection with it. True, they are subjects, for some purposes, of the same political sovereignty which is the borrowing party, and if that sovereignty was universal in its objects, and was not restrained by constitutional limitations, the duty of receiving the obligations could be rightfully imposed like any other burden created by legislative authority. But private contracts and the manner in which they are to be performed and discharged or enforced are, as has been stated, embraced in the reserved rights of the States, and Congress has no general legislative power over the subject. If they have any power whatever, it is not direct, but oblique or collateral. If in the execution of the enumerated powers it becomes necessary and proper to enter upon the domain of State legislation, the State laws must yield. This may be made more clear by cases which may be supposed. The States have the general right to regulate the interest upon money loaned. Suppose a State legislature to enact that none of its citizens should loan money to any party, private or public, at a rate of interest above five per cent, and that Congress, considering the rate too low, should provide by law that seven per cent might be lawfully required of any borrower by any lender. Such an act of course would be void as an attempt to legislate upon a subject not committed to

the general government, but reserved to the States. Yet there could be no objection to a statute of Congress which should authorize the borrowing of money upon the credit of the United States at any rate, however excessive, which it was thought expedient to allow, and at which citizens might be willing to lend. This would necessarily change and modify the State law *pro tanto*, but it would be sustained, because it would be a law made to carry into effect a power expressly conferred upon Congress, namely, the power to borrow money, which would embrace all the usual incidents of loans. Then suppose that with a view to facilitate federal loans, and to give the public bonds a ready reception, Congress should attempt to subject all individual borrowing in the States to a low rate of interest, while the federal treasury was allowed to contract at a higher rate. This would bear some resemblance to the law which is now questioned, and yet it would be preposterous to consider it a law passed in the execution of the power to borrow money on the credit of the United States.

The question how far an act of Congress could be considered to have been passed in the execution of an enumerated federal power has been discussed in a variety of forms as particular laws or projects of laws have come under consideration in the administrative, legislative, and judicial branches of the government. The discussions most material to be considered, because they are absolutely authoritative with us, are the judgments of the Supreme Court of the United States. The debates in these cases usually turned upon the words *necessary and proper*, as used in the Constitution. To a certain extent, the necessity and propriety of an enactment must rest in the discretion of the legislature. But to hold that the exercise of that discretion is final and not subject to the examination of the judiciary would be to break down all limitations upon the power of the general government. Accordingly, I think no judge has ever intimated the existence of any such extreme doctrine. On the other hand, the question whether a given measure is the most suitable or efficient for the execution of an enumerated power must of course be left to the discretion of Congress, and that discretion cannot be reviewed by the courts. The difficulty lies in determining in a particular case whether the disputed enactment has such a relation to the power which it is said to be passed to carry into execution, that it can be affirmed to be necessary and proper for that purpose. The most thorough examination of the subject was that which was had on the several occasions when the constitutionality of the Bank of the United States came before the Supreme Court. (*McCulloch* v. *The State of Maryland*, 4 Wheat., 316; *Osborn* v. *The United States Bank*, 9 Ed., 738) The act was sustained on the theory that it was a necessary arrangement for carrying on the financial operations of the government. It was not supposed to be absolutely necessary, but to be so in the sense of being appropriate, and directly convenient and useful. That judgment is to be accepted by the State tribunals as a true exposition of the Constitution on this point; but the resemblance in principle between the legislation then in question and that which we are considering, is not so striking as to afford much aid in the present difficulty. The principles, however, announced by the eminent chief justice, seem to me irreconcilable with the validity of the legislation in question. It was conceded that the powers of the government were limited, and that those limits were not to be transcended; but it was maintained by

a course of reasoning which cannot easily be controverted, that the national legislature possessed a discretion in the adoption of the means by which the powers conferred by the Constitution were to be carried out. It was conceded that the means must be such as were *appropriate* and were *plainly adapted* to the end authorized to be accomplished. In another part of the opinion it was intimated that the means, in order to be legitimate, and to fall within the qualifying words, *necessary and proper*, must be such as were either *needful*, *requisite*, or *conducive* to the principal object embraced in the delegated power. Was it ever before supposed to be incident to the contract of loan, that the rights of other persons, strangers to the transaction, were to be controlled or affected? Either the borrower or the lender may insist upon any stipulation to which the other will consent, and when the former is a sovereign State, it may agree to any concessions on its own part not inconsistent with its constitutional limitations, and insist upon imposing any terms of the lender which it may be thought expedient to require and to which he will consent. The arrangement of these mutual stipulations embraces all which is material or which can be appropriately attached to the contract of loan. A provision which is to control other parties not connected with the transaction, to their loss though to the advantage of the lender, cannot be appropriate, for it is foreign to the nature of the transaction, and has never before been employed in connection with such arrangements. A consolidated government might annex such terms to the contract, for it has plenary authority over all its citizens when not constitutionally restrained. As to being *needful*, *requisite*, or *essential*, it is not so in any sense which would enable the government to impose on the citizens who should have business relations with the holders of the securities, conditions which would only conciliate such holders.

The power which the Constitution confers upon the government to effect loans, is not one to be exercised *in invitum*, like the taxing power. It requires only a party willing to advance the funds upon the terms which may be offered, and it does not imply anything coercive as to any one. It requires a consenting party only; unlike the taxing power which implies legal coercion, and does not seek the consent of any other party.

But for a single authority, which I will now mention, I should think it very plain that the power to borrow money on the credit of the United States, did not authorize Congress to compel individuals to accept treasury notes in discharge of private debts payable in money.

In *Weston* v. *The City Council of Charleston* (2 Pet., 449), it was held that the power to borrow money on the credit of the United States contained in itself a prohibition to tax the securities given upon the loan by State authority. The tax, which was held illegal, was laid upon certain stock of the United States, *eo nomine*, and this court was of opinion that the case might have turned upon that circumstance, and that money invested by our citizens in federal loans was yet taxable along with the mass of the property of the citizens, under the laws of this State, which laws tax all property alike. (*The People* v. *The Commissioners of Taxes*, etc., 23 N. Y., 192.) On a writ of error to the Supreme Court of the United States, our judgment was reversed, that court disallowing the distinction on which we proceeded, and holding that the federal bonds were exempt from taxation in any form under State authority. An act of Congress had been passed, declaring in terms that the scrip of the public debt of the United States should not be subject to taxation by the

States. *A fortiori*, a State tax imposed upon stock issued since the declaratory act mentioned, cannot be sustained in the Supreme Court. The principle has some analogy to the one we are examining. The laws of the States on the subject of taxation for State purposes are as fully within the reserved rights of the States as those which relate to private contracts and the payment of individual debts. The general government has no jurisdiction respecting the legal arrangements which the States may make on either of these subjects; and yet it has been held that the power to borrow money alone confers upon the securities given for loans a quality which no other property has, by exempting them from taxation. I hope it will not be attributed to an unreasonable pride of opinion, that I feel compelled to say, that I have not been able to appreciate the reasons upon which that conclusion was reached. I, however, fully acknowledge the duty of following the adjudication of the supreme tribunal; and since the judgment referred to was pronounced, we have conformed our decisions in similar cases to the rule laid down, and shall continue to do so. I think the law exempting the federal bonds from State taxation was as foreign to and as unconnected with the power to effect federal loans as that which declares the treasury notes a legal tender in the payment of debts, and I acknowledge the analogy which exists between the cases. But the judgments of the Supreme Court did not proceed upon reasons which would justify the legal tender clause. Those judgments, according to the published opinions, regarded the public bonds as instruments or means employed by Congress to carry out the power to make loans, and as of the same general nature as the Bank of the United States. It clothed them with an immunity, but did not propose to render them instruments of coercion. Finding this distinction to exist, I do not think it proper to act upon the analogy which I have conceded: I am, therefore, of opinion that the clause in the act making the notes a good tender in the payment of private debts cannot be sustained under the power to borrow money, nor under any other of the express powers conferred upon Congress.

But I am of opinion that the legal tender clause is repugnant to express provisions of the Constitution. I refer to the prohibition imposed upon the States to make anything but gold and silver coin a tender in payment of debts, and to the provision which confers upon Congress the power to coin money and regulate the value thereof, and of foreign coin. These provisions are in *pari materia* and must be considered in connection with each other, and I think the result of both is, that it was the settled determination of the convention that compulsory payments should be made only in coin. This position is entirely distinct from the topic which I have thus far considered. If it were conceded that declaring the notes to be a legal tender was an allowable means for borrowing money upon them, still it could not be done if the fair result of other constitutional provisions were that coins of the precious metals were the only medium in which compulsory payments could be made. I have already considered the coining power in connection with the argument that it embraced in terms the power to fabricate money other than metallic coins, properly so called, and have nothing to add on that point. But it was the object of that provision to enable and to require the general government to cause coins to be manufactured which should be impressed with the stamp of the national authority, and should be received throughout the Union as absolutely authentic, and which should be deemed and

taken in all transactions whatever as money of the precise value indicated by the stamp of the national mint; and that they should in like manner prescribe the value of such foreign coins as they should think proper to have circulated as money. This provision belongs to the class to which I have referred as to some extent militating against the general system which left to the State governments the regulation of private pecuniary dealings and contracts. That system, if unqualified, would allow the States to exclude any medium of payment not established by their own authority; but they cannot, consistently with the provision, disallow the absolute authority of the federal coins. But the power to create money does not extend beyond the fabrication of coins.

Hence, I am unable to find the ground for further intrusion into the field of State legislation respecting the money to be used in private transactions. The federal legislation respecting coined money is absolutely binding upon all the people of the Union, and, in my opinion, it is exclusive of any power, residing anywhere, to make any other description of money. The subject with which the convention was dealing was that of money which was to be authentic and authoritative everywhere throughout the Union. It prescribed coins, to be made by federal authority as such money, and was silent respecting any and every other kind of currency. The argument *expressio unius exclusio alterius* applies, and would be of great force if there were no other, but a reason equally strong to my mind is, that the convention was acting upon a subject belonging generally to State jurisdiction, and cannot with propriety be understood as going beyond the provision actually made. The prohibition upon the State governments to coin money affords an invincible inference that the coins to be struck under the authority of Congress, were to be the only authentic money to be used in the United States. Certainly there is an unavoidable implication, that nothing shall be done by any authority in the nation which shall destroy the value and usefulness of this federal money. But can it be used for regulating exchanges and making payments, if another thing of less or even of different value is declared money? There cannot, in the nature of things, be two standards of value. If the treasury notes are of less value than the gold and silver coins, the latter will be superseded and become absolutely unavailable for all purposes for which money is required to be used; for no one will make use of a gold eagle, when with that coin he can purchase twelve or fifteen dollars, each of which will answer his purpose precisely as well as one-tenth of the eagle. The legal tender provision practically nullifies the coining power. For all practical purposes, it converts the federal coins, fabricated in obedience to the Constitution, into mere bullion. This appears to me plainly to conflict with the provision for the striking of such coins.

But the prohibition upon the States against making anything but gold and silver coin a tender in payment of debts, seems to me also conclusive upon the subject. The restraint, it must be remembered, is upon the sovereignty to whose jurisdiction this subject of debts and their payment belongs. The general government, as I have shown, had no power over that subject, except as it may be deduced incidentally from some express power. It should be further borne in mind, that the prohibitory mandate is not addressed to the State legislature alone, but to the judges as well. No authority of the States, legislative or judicial, can, by the terms of this clause, admit anything but coin fabricated from the precious met-

als to be a valid payment. It is to be observed, also, that the inhibition is not limited to values created by State authority. That subject was provided against by the language forbidding the States to emit bills of credit. The word *anything* embraces all imaginable subjects of which payment might be predicated, irrespective of their material substance, and of the authority by which they were created. To constitute payment, there must be coins, that is, stamped pieces of metal, and they must be composed of the precious metals. When the State legislatures, which are to establish the legal principles respecting payments, and the courts, which are judicially to determine what shall be payments in any given instance, are forbidden by paramount and supreme authority to make anything but coins struck from the precious metals a payment, the natural, and, I think, the inevitable result is, that nothing except such coins can be adjudged to be payment in any case whatever. And when, in connection with such inhibition, we find ample provision made by the same supreme authority, for the supply of such coins by fabrication, and by the adoption of those coming from abroad, I cannot doubt but that it was the persistent design of the Constitution, which contains these mandates, to require as a fundamental policy the exclusion of everything else than the coins indicated from the attribute of compulsory payments. We are to-day asked, by our judgment, to make the treasury notes of the United States a payment of the debt owing to the defendant. Our answer ought, I think, to be that we are forbidden by the supreme law of the Union to do it. That law has no regard to the value of the thing offered as a substitute, or to the authority by which it was created. It is forbidden absolutely, and under all circumstances.

An argument has been somewhat pressed upon us, arising out of the action of Congress upon the subject of legal tender. After providing for the establishment of the mint, and regulating the amounts of pure gold and silver to be contained in, and the value of the various coins to be struck, the legislature has, at various times, from an early period of the government, declared those coins to be a legal tender for the payment of all debts and demands. The argument is, that there is nothing in the Constitution expressly enabling Congress to declare anything to be a legal tender, and yet that body has, with universal acquiescence, passed the several acts referred to. Hence, it is insisted that the power of establishing a legal tender has been universally conceded to exist, and, if the power exist, it is within the legislative discretion to determine as to what shall be made such tender. In point of fact, the coins which have been declared a tender are such as were composed of gold and silver with sufficient of alloy of baser metals to give them the requisite consistency for convenient use. My opinion upon this point is, that the power to coin money and regulate its value is an authority to make money which shall be legally such in every part of the Union, and for every purpose for which money shall be required or needed to be used. The coins to be struck are national coins and money, and so of those which are adopted, and the value of which is declared, and where any law, State or national, or any lawful contract, or any other lawful exigency calls for the payment of money as such this national money is the thing indicated.

The word *money*, as used in the Constitution, *ex vi termini*, implies all that is expressed by the words *legal tender*, and without the use of these words in the acts of Congress the coins struck at the national mint, and

the foreign coins, the value of which has been regulated by Congress, could be used in forced payments in all cases. The express provisions respecting legal tender are employed for the purpose of explanation, and are only declaratory of the effect of the national currency when offered for the purpose of payment. In reference to what had been said respecting the ability of Congress to debase the national currency, I am of the opinion that the several clauses respecting coining and what may be made a legal tender by the States, together amount to a direction that the money to be created under the clause respecting coining shall be composed of the precious metals, as a principal ingredient, and that coins not composed of these substances cannot constitutionally be made national money or legal tender.

I have examined this question, and have come to a conclusion upon it, as though it involved no other consequence than the recovery, or the failure to recover, the small sum of money claimed by the defendant, and I do not know of any other method of considering a judicial question involving pecuniary considerations. The extended and very able discussion at the bar, in which considerations of a public character have been largely pressed upon us, have had the effect, to which they were certainly entitled, of inducing caution and very mature deliberation upon the legal points involved, but they cannot legitimately have any further influence.

I shall be well satisfied if a majority of my brethren, and the federal court in which our decision will ultimately be reviewed, can reconcile the legislation which the defendant challenges with a reasonable interpretation of the Constitntion of the United States. It is not to be denied that it constitutes a part of a plan of public finance which, whether wisely organized or not, it is extremely important in the present crisis to maintain if it can properly be done. If my sense of duty would allow me to decide the case, as I should wish the law under the circumstances of this moment temporarily to be, I would unite in a judgment which should establish the validity of these legal tender notes; for the preservation of the federal Union, which is said to be involved, is the most ardent, I may say passionate, desire of my heart; and no one, I think, can honestly pretend that this can be accomplished except by the vigorous employment of the armed force of the nation. To that purpose, the realization and expenditure of immense pecuniary resources are plainly indispensable. No man can have a stronger sense of the absolute causelessness, nay, the utter wickedness, of the insurrection than that which I entertain; or of the duty of every citizen, whether in public office or a private station, to yield to the constituted authorities upon all questions of policy or expediency, not only implicit obedience, but a sincere and generous confidence and co-operation.

But we are placed here to determine the law as we understand it to be, in the controversies which are brought before us, and I should forfeit my own self-respect if I could unite in a judgment affirmiug the constitutional validity of the legislation in question, believing, as I must, that its provisions are repugnant to the letter and spirit of the Constitution.

Selden, J., concurred in the conclusions of Ch. J. Denio; but all the other members of the court pronounced in favor of reversing the judgment of the Supreme Court, and holding that the United States notes are money and a legal tender for all debts.

COMMERCIAL REGULATIONS.

DECISIONS OF TREASURY DEPARTMENT UNDER THE TARIFF ACT OF JULY 14, 1863.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production entered at the port of New York, &c.:

BUFFALO ROBES.

Treasury Department, September 28, 1863.

SIR: ALEXANDER PAUL has appealed from your decision assessing duty at the rate of 15 per cent ad valorem on certain "buffalo robes" imported by him, and claims to enter them at 10 per cent.

This department decided, under date of January 28, 1862, that buffalo robes, not being enumerated under the act of March, 1862, were, by force of the 20th section of the tariff act of 1842, liable to same rate of duty as "furs on the skin," to wit., 10 per cent.

The act of July 14, 1862, section 13, imposes an additional duty of 5 per cent on "dressed furs."

It is admitted that the robes in question are dressed or tanned by the Indians, and consequently are subject to duty at the rate of 15 per cent ad valorem, by virtue of the decision of this department of January 28, 1862, and by force of the 20th section of act of 1842, as applied to the 13th section of the act of July 14, 1862.

The decision of the Collector is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To JOSEPH LEMAY, *Collector, Port of Pembina, Minn.*

HARES FURS.

Treasury Department, October 31, 1863.

SIR: Mr. EDWARD CONNOLLY has appealed from your decision assessing duty at the rate of 20 per cent on certain "hares furs" imported by him, per bark *Maryland*, from Bremen, and alleges that "the only duty which hares furs are entitled to pay is 10 per cent ad valorem, pursuant to the 24th section of the tariff act of March 2, 1861, which says: 'On all raw or unmanufactured articles not herein enumerated or provided for, a duty of 10 per cent ad valorem.' That the article in question is not imported as hatters' furs, and never used in the manufacture of hats as such, but merely worked into the bodies of hats for the purpose of imparting a pliancy thereto."

The article in question is a "fur not on the skin;" and is undressed, and under the 19th section of the act of March 2, 1861, is entitled to entry at the rate of 10 per cent ad valorem.

Your decision is hereby overruled.

S. P. CHASE, *Secretary of the Treasury.*

To HENRY W. HOFFMAN, *Collector, Baltimore, Md.*

STEEL RAILWAY BARS.

Treasury Department, October 30, 1863.

SIR: EDMUND SMITH, secretary, in behalf of the Pennsylvania Railroad Company, has appealed from your decision assessing duty at the rate of 35 per cent ad valorem on certain "steel railway bars," and claims to enter them at 25 per cent, as "steel in any form not otherwise provided for."

This department, under date of March 24, 1860, decided that "steel railway bars" were properly classified as manufactures of steel, not otherwise provided for; being fitted for immediate use without further manufacture.

There are no facts presented in the case under consideration which render necessary any alteration or modification of said decision, and your decision assessing duty of 35 per cent on the steel in question is hereby affirmed.

S. P. CHASE, *Sec. of the Treasury.*

To WM. B. THOMAS, *Collector, Philadelphia, Pa.*

COD-LIVER OIL.

Treasury Department, October 30, 1863.

SIR: E. P. DUCONGE has appealed from your decision assessing duty at the rate of 50 per cent ad valorem on certain "cod-liver oil," imported by him in the ship *Maria Felicite*, from Havre.

"Cod-liver oil" is not considered a "proprietary medicine," and Treasury Regulations (page 576) authorize its classification as a "medicinal preparation not otherwise provided for," and under the act of March 2, 1861, it was liable to duty at the rate of 30 per cent ad valorem.

The act of July 14, 1862, imposed an additional duty of 10 per cent on "medicinal preparations not otherwise provided for," and consequently the present rate of duty to be assessed on cod-liver oil is 40 per cent ad valorem.

Your decision is hereby overruled.

S. P. CHASE, *Sec. of the Treasury.*

To CUTHBERT BULLITT, *Special Agent and Acting Collector, N. O.*

LADIES' DRESS ORNAMENTS.

Treasury Department, November 9, 1863.

SIR: Messrs. HUGHES & CREHANGE have appealed from your decision assessing duty at the rate of 35 per cent as "manufactures of worsted" upon certain merchandise imported by them, styled "buttons," and claim to enter them, as such, at 30 per cent ad valorem, under section 22 of the act of March 2, 1861.

Samples of the goods in question have been submitted to the experts of the customs, who report as follows: "In our opinion they are not buttons, either in fact, by commercial usage, nor within the meaning and intent of the law. They are too fragile, and in structure unfit for the proper purpose of buttons, but are worn as ornaments on dresses."

This department, under date of February 16, 1861, on the appeal of BACHMAN & LAURENT, decided an analogous case, upon similar grounds.

Your decision is hereby affirmed.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

SHIRTING FLANNEL (SO CALLED).

Treasury Department, November 16, 1863.

SIR: I. LEWINE has appealed from your decision assessing duty, "as a manufacture of wool and worsted," at the rate of 18 cents per pound, and 35 per cent ad valorem, on certain goods imported by him, and styled "grey flannel of English manufacture, intended to be used for army shirting," and claims to enter it at 35 per cent only, under the classification for "flannels."

The article in question was not, at the time of the passage of the present tariff, known or commercially recognized as flannel; nor is it flannel, according to the term, as well known and understood; differing from flannel in texture and dressing, being fulled, which at once takes it out of the flannel category.

The tariff acts now in force impose a duty of 18 cents per pound, and 35 per cent ad valorem, on "manufactures of wool, or of which wool shall be a component material, etc., etc., not otherwise provided for," and, in my opinion, the article in question comes clearly within this provision of the law, and your assessment was perfectly regular.

Your decision is hereby affirmed.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

POWDERED ACORNS.

Treasury Department, November 17, 1863.

SIR: Messrs. A. VOGELER & Co. have appealed from your decision assessing duty at the rate of three cents per pound on certain "powdered acorns," imported by them per barque *Maryland* from Bremen, and claim "that the said powdered acorns are only entitled to pay a duty, under existing laws, of 20 per cent ad valorem; that is to say, under section 24 of the act of March 2, 1861, which states, 'that on all articles manufactured in whole or in part, not herein enumerated or provided for, a duty of 20 per cent ad valorem;' that the above clause as quoted from the 24th section of the act referred to, has never been repealed by subsequent acts; and also, that the said 'powdered acorns' are imported solely for medicinal purposes, and not to be used for coffee in any sense."

The 8th section of the act of July 14, 1862, provides that a duty of three cents per pound shall be imposed on "acorn coffee and dandelion root, raw or prepared, and all other articles used or intended to be used as coffee, or a substitute for coffee, and not otherwise provided for."

The experts of the customs state that the article in question *is* the article enumerated in the above quoted section.

That Messrs. VOGELER & Co. intend or design the "powdered acorns" for medicinal purposes cannot avail; the enumeration or description of the article meant could not well have been more specific or clear; indeed, it is not denied or pretended that this is not the article which is "used as coffee, or as a substitute for coffee."

The decision of the collector is therefore affirmed.

S. P. CHASE, *Sec. of the Treasury.*

To H. W. HOFFMAN, *Collector, Baltimore, Md.*

THE NATIONAL BANK CURRENCY.

The circulation for the banks established under the National Law is now being furnished; that is, the lower denominations, fives and tens. These are very unlike anything that bankers ever saw, and have not much resemblance to anything that has heretofore represented "money." The bills have neither face or back, so to speak, but both sides highly pictured, bordered, and wreathed—with very small figures and the beautiful engravings of the paintings in the Capitol Rotunda blurred by lettering. Somebody's "fancy" had a large scope to experiment itself in when these notes were gotten up. The following is a description:

5s, vignette, Columbus discovering America, on lower left end; right end Columbus introducing America to Europe, Asia, and Africa, shipping and ocean in back ground, the countries represented by female figures. Other side—vig. Landing of Columbus, ends ornamented by scroll and lathe work, containing in one oval national eagle and shield with "U. S.," and in another the State arms of, say, Ohio, or wherever the bank is situated to which the bill has been furnished.

The face contains the following inscription:

NATIONAL CURRENCY.
This note is secured by bonds of
THE UNITED STATES,
Deposited
With the United States Treasurer at Washington.

L. E. CHITTENDEN, Register of the Treasury. F. E. SPINNER, Treasurer United States.

THE FIRST NATIONAL BANK OF

[Place of the date.] Pres't. Cashier.

On the back appears the following guarantee and warning:

"This note is receivable at par in all parts of the United States in payment of all taxes and excises and all other dues to the United States, except duties on imports, and also for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on public debt."

"Counterfeiting or altering this note, or passing any counterfeit or alteration of it, or having in possession any counterfeit plate, or impression of it, or any paper made in imitation of the paper on which it is printed, is felony, and is punishable by $1,000 fine or fifteen years' imprisonment at hard labor, or both."

10s, vignette, Franklin drawing lightning from the clouds. Allegorical representation of Genius of America, a female figure upon an eagle in the clouds grasping a thunderbolt. Other side—vig. De Soto discovering the Mississippi.

20s, vignette, Battle of Lexington. Allegorical representation of Loyalty, figure of Liberty in fore ground, bearing national ensign, farmers, artisans, etc., rallying round the flag. Other side—Baptism of Pocahontas.

50s, vignette, Washington crossing the Delaware. Allegorical representation, Prayer for Victory. Other side—Embarkation of the Pilgrims.

100s, vignette, Battle of Lake Erie. Allegorical representation, Maintenance of Liberty and Nationality. Other side—Declaration of Independence.

500s and **1,000s** not decided, but the intention is to illustrate them by incidents of the present war.

THE BOOK TRADE.

Soundings from the Atlantic. By OLIVER WENDELL HOLMES. Boston: TICKNOR & FIELDS.

Every one, of course, loves to read everything Dr. HOLMES writes. We equally delight to have him electrify us with his poetic fervor, amuse us with his wit and humor, or instruct us with his earnest thoughts, expressed in good old Saxon. This volume which he now gives us is not a sea novel or essay on the sea, as some might, from the title, suppose, but a collection of the choicest papers which the witty doctor has contributed to the *Atlantic Monthly*. We are glad to see them in this form, as all will be who love good things served up in a good style. The title of these "Soundings" are as follows: "Bread and the Newspapers," "My Hunt after 'The Captain,'" "The Stereoscope and the Stereograph," "Sun-Painting and Sun-Sculpture, with a Stereoscopic Trip across the Atlantic," "Doings of the Sunbeam," "The Human Wheel, its Spokes and Felloes," "A Visit to the Autocrat's Landlady," "A Visit to the Asylum for Aged and Decayed Punsters," "The Great Instrument," and "The Inevitable Trial."

Keep a Good Heart. New York: D. APPLETON & Co.

If good books for children make good children, certainly the coming generation, on reaching manhood and womanhood, ought to surpass their fathers and mothers in all that is excellent. When we were children the books we saw, besides those at school, were ponderous histories or now and then the life of a good boy or girl, all of whom died *very* young. This latter class of publications have been laid aside of late (on the supposition that the early death was no inducement for following the good example), and in their stead we have books of real merit, the influence of which must be excellent. In fact, very many of them can be read with no little profit by the teacher as well as the scholar. As an illustration and confirmation of this remark, we would refer to the one above mentioned, "Keep a Good Heart." We have read it—every word of it—and shall be glad to read just as many more as the author or authoress can give us. The style is excellent (a point formerly neglected in children's books, and yet children know what good English is,) and the lesson taught is invaluable, while the mode of presenting the great truth is such that its effect must without doubt be lasting. We should certainly advise every one who has a child to bring up to put this book into its hands without fail. Give children good, attractive religious reading and religion will, to them, never wear the gloom with which some surround it, but will shine out with its own cheerfulness and loveliness, attracting rather than repelling.

The Pet Bird and other Stories. By COUSIN ALICE. New York: D. APPLETON & Co.

This little volume is the last that "Cousin Alice" will ever give her host of young readers. Her death a few months ago has saddened many a child's heart, and this final word from her pen will have, therefore, a double attraction. It contains fourteen short stories, written in the pleasant, graceful, earnest style for which she was noted—some matters of fact, and others matters of fancy—all delightful reading for the little ones. Each story is prettily illustrated.

Flowers, Fruit, and Thorn Pieces, or the Married Life, Death, and Wedding of the Advocate of the Poor, FIRMIAN STANISLAUS SIEBENKAS. By JEAN PAUL FREDERICK RICHTER. Translated from the German by EDWARD HENRY NOEL. With a Memoir of the Author by THOMAS CARLYLE. Boston: TICKNOR & FIELDS.

The translation of this work from the celebrated German author is issued by the publishers in two beautiful volumes. As may be judged from the title, a large portion of the contents is a narration of the writer's personal experience, his trials and sufferings in poverty, and the subsequent enjoyment of life more congenial to his taste. A deep pathos, plentifully besprinkled with fine thoughts and brilliant passages, together with keen insight into human character, is displayed throughout the work. In fact, as his translator says, JEAN PAUL is rich and redundant in language and georgeous in description. "Some he will please; others will criticise, perhaps lightly condemn; but his noble, poet's soul may stand, fearless of the judgment of every nation."

Levana; or, the Doctrine of Education. Translated from the German of JEAN PAUL RICHTER. Boston: TICKNOR & FIELDS.

This interesting work has many valuable suggestions upon home education and training, and indeed contains so many good hints and real truths, so pertinently put, that we wish it might be extensively read, especially by parents. Much of the time the lively wit of the author shines out brilliantly; indeed some reader may think he is not serious enough upon serious subjects, yet there is so much sound common sense running through the whole work, and the amount of interesting information is so large, that it is not worth while to be too critical respecting the manner in which it is communicated. The author loves and understands little children, and writes of them with a tenderness and pathos that is pleasant to read.

Gala Days. By GAIL HAMILTON. Boston: TICKNOR & FIELDS.

Unfortunately GAIL HAMILTON, in an inauspicious moment, wrote "Side Glances at Harvard." She there told us many good things, and some that it would have been as well to have left unsaid. Before that time her star was in the ascendant, but since then all Massachusetts has been after her. One Boston critic advises her, with a touch of sarcasm, never to write any more, while many others say she possesses none, or, it may be perhaps, the least atom (no more) of literary merit, and shows an entire "lack of real practical knowledge of all subjects she discusses." We certainly cannot agree with these critics. If her writings showed talent before she wrote about "Harvard," certainly she has it still; and who ever read her essay entitled "My Garden" without feeling that she possessed unusual cleverness and showed literary merit of no mean order? In "Gala Days" we have several of her most popular papers contributed to the *Atlantic Monthly*, and among them is this same "Side Glances at Harvard" which provoked so much criticism, as we have already stated. They are all written in a lively, agreeable style and will have very many readers. We trust she will continue to publish her thoughts in spite of the critics.

The Rejected Wife. By MRS. ANN S. STEPHENS. Philadelphia: T. B. PETERSON & BROTHER.

This is a very readable book. The author has taken the leading incidents of BENEDICT ARNOLD'S life, and made of them, with the help of a good imagination, quite a thrilling romance. Of course, all the incidents are not facts; and yet historical events are so interwoven as to lend to the story an additional interest.

Appleton's U. S. Postal Guide. New York: D. APPLETON & Co.

This is just the book we have wanted and the public have wanted for a long time, giving, as it does, all the regulations of the Post Office, a complete list of the post offices throughout the United States, besides those thousand and one items of information which almost every person who mails letters (and who does not?) is continually asking for and ought to know. There are also in it many valuable suggestions, especially of interest to those having much correspondence.

History of the Romans under the Empire. By CHARLES MERIVALE, B. D., late Fellow of St. John's College, Cambridge. From the fourth London Edition. With a copious Analytical Index. Vol. I. New York: D. APPLETON & Co., 443 & 445 Broadway. 1863. Cloth, $2.00; half calf, $3.50 per volume.

We are very glad to see that the Messrs. APPLETON & Co. have begun the re-publication of this valuable work. The first and second volumes appeared in London in 1850, we think, and the others followed, from time to time, but it was not until last year that the seventh and last was issued. As, however, one by one, these volumes have been given to the public, they have met with a very warm reception. The Edinburgh *Review*, speaking of the two first issued, remarked:

"We have read these volumes with great pleasure, and we close them with even greater expectation. * * * There was room for a history of Rome, both absolutely, as regards the subject itself, and relatively, as regards the demands of the present age. Mr. MERIVALE appears to have discerned both the need for such a work, and the conditions under which it may be competently executed. * * * He has entered a field in which he has no rival, and scarcely a competent predecessor. * * * We may add, that the style is vigorous, and the arrangement lucid; that the descriptions are often striking, and that the occasional episodes are skilfully introduced. Our readers will perceive that Mr. MERIVALE's undertaking is nothing less than to bridge over no small portion of the interval between the interrupted work of ARNOLD and the commencement of GIBBON. He comes, therefore, between 'mighty opposites.' It is praise enough that in this, his first instalment, he proves himself no unworthy successor to the two most gifted historians of Rome whom English literature has yet produced."

Some years later, the same Review says:

"We greet with no ordinary pleasure each instalment of Mr. MERIVALE's work. * * In the volumes before us we see no reason to modify the opinion which, nearly seven years ago, we ventured to give of their predecessors. The historian displays the same unwearied diligence, the same impartial judgment of men and events, and supports his opinions and his statements with the same exact and comprehensive learning."

As this work terminates where the narrative of GIBBON commences, it will be found an indispensable addition to every library.

In War Time, and Other Poems. By JOHN GREENLEAF WHITTIER. Boston: TICKNOR & FIELDS.

This pretty little volume is filled with poems, written in Mr. WHITTIER's usual earnest style, full of fervor and feeling, many of which have already appeared in the *Independent* and *Atlantic Monthly*. More than half the volume is devoted to subjects connected with the war, peculiarly adapted for enlisting the author's sympathies and exciting his impassioned muse. To our mind, however, the latter portion of the book, containing the "Home Ballads," and "Occasional Poems," has more poetical merit than the war lyrics; yet the fire of WHITTIER's genius shines through all, giving us many beautiful thoughts and stirring passages.

We are compelled to defer until next month the publication of many other notices of new Books intended for this number.

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

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Yours truly
Gov Pickens

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

FEBRUARY, 1864.

THOMAS TILESTON,

PRESIDENT OF THE PHŒNIX BANK, NEW YORK.

All young men covet success, though comparatively few appear to know in what it really consists. Certainly it is not in the simple accumulation of wealth; for if it were, we should admire most the chest that contains the miser's gold. Nor yet is it in the show and glitter that too often accompany wealth. Only the weak, vain man will exult in his servants' livery, or the conceited, unsuccessful general bestow his time and energy on his epaulets.

With the merchant, however, the acquisition of wealth must always be one ingredient of success, yet it is the acquiring it rightly, and using it rightly, that marks the truly successful. A life that centers on one's-self must be aimless and profitless indeed. It is true, that courage, energy, and persevering determination, if accompanied by economy, will, in most cases, work out a private fortune. Still, not until these qualities, guided by principle, are applied to the public good, and used in its behalf, can the possessor be entitled to public thanks. Thus, in giving, from time to time, these sketches of prominent merchants, our object is to show wherein they have obtained the true ends of life, gaining their wealth and governing their ambition by principle, and hence enriching, not only themselves, but also the public. In so far, only, as they have done this, are their lives worthy of study and imitation.

Among our many merchants, who have nobly fought their way to commercial and social eminence, few names are more honorably and favorably known than that which heads this article. Mr. Thomas Tileston is certainly a remarkable instance of mercantile success. As we have already said, the acquisition of property, however rapid or vast, is not of itself success. If the ends proposed be selfish; if the means employed be unjust or dishonorable; especially, if no kindly feelings impel the possessor to meet, from his abundance, the urgent claims of a com-

Entered according to act of Congress, in the year 1864, by William B. Dana, in the Clerk's Office of the District Court for the Southern District of New York.

mon humanity; then he has not attained true success, for prosperity is not a blessing either to himself or to others. It is because Mr. TILESTON is a man of another stamp—because his whole course and example have been elevated in tone and wholesome in their influences—that we are glad to hang his portrait in our gallery of American merchants, and hold him up for the just appreciation of the mercantile community.

THOMAS TILESTON is a native of Boston, where he was born, August 13th, 1793. From the first, he was aware that the battle of life depended on his own exertions, for all the inheritance his father left him was a good name. His means for early education, therefore, were only such as the public schools afforded. Boston was then a city of about twenty thousand inhabitants, and we need not stop here to make any lengthy comparison between the public schools of 1793 and those of 1864; now they are an honor to any people—certainly not surpassed, if equaled, in any other State; then, of course, they were mere rude beginnings, furnishing comparatively few advantages. But even these opportunities could not long be enjoyed, for young TILESTON was a member of a large family, and he early saw that he ought to be up and doing, caring for himself. Yet his thirst for knowledge was not satisfied, and, knowing that where there was a will there was a way, he determined to seek such employment as would, at the same time, give him the best opportunity for educating himself. With such ideas, at the early age of thirteen, he accepted a situation as printer's boy in the printing establishment and publishing house of GREENOUGH & STEBBINS, of Boston, at a salary of thirty dollars a year and board. More than fifty years later, when seated at his own comfortable fireside and indulging in some reminiscences of the past, he told us that, on disclosing his new engagement to his mother, she remonstrated, but her tender remonstrances could not change his mind. His deliberate reply was, "Mother, by going into a printing office, I hope to educate myself, and thus, I trust, to be able to take care of you and the whole family." Here he stopped, and silently a tear filled his eye. How natural that tear was! It spoke of tenderness for that mother, and thankfulness in having been able to keep that vow of the apprentice, while, at the same time, a life of three score years and ten, without a single year in its history over which it is necessary to draw a veil, for fear of spoiling the effect of the whole, must have stood out in vivid colors before his eyes.

That vow of the apprentice boy was, we think, the key-note to his success. To commence life with a decided and good purpose, is half the battle won. Most of our young men, who look out for a situation, think little of the claims that others have upon them, and study only present ease and comfort, never considering whether they are best fitted for a law office or a clothing establishment. They simply seek an easy, paying situation, and so, at the end, find themselves in the wrong place, and the might-have-been-successful tailor has become an unfortunate, unsuccessful barrister.

Young TILESTON, as we might expect, made rapid progress in setting up type, and very soon the labor of proof reading was added to his other duties. Here, too, he was able to excel, for, working with his characteristic energy and perseverance, all obstacles seemed to vanish as quickly as they presented themselves. An evidence of his industry, at this time, may be found in the fact, that during that period he wrote and printed,

in extra hours, one or two literary compositions, which were a great success, pecuniarily at least. But he soon discovered that weak human nature was being driven too fast, for suddenly his eyes failed him, threatening total blindness. This was, of course, a very great affliction, sadly checking his ambitious plans; yet he did not despond, as many might have done, nor occupy himself with mourning over his misfortune, but showed the same energy and judgment in his endeavors to effect a cure that he had shown in every undertaking in life. He at once gave up all business, devoting himself, for five months, to restoring his eyesight, and at the end of that time, under the blessing of Providence, found he had succeeded. He learned, by this experience, how to use his eyes and they have never failed him since.

About the same period the junior partner in the printing establishment and publishing house of GREENOUGH & STEBBINS was changed, and GREENOUGH & BURRILL, the new firm, removed their business from Boston to Haverill. Mr. TILESTON still continued with them, making himself so useful and showing himself so efficient, that the more important work was left to his charge and supervision. About this time, also, he took part in editing a paper. We have before us some numbers of the Merrimack *Intelligencer*, published by BURRILL & TILESTON previous to the war of 1812, and it would not be difficult to recognize many leaders as from Mr. TILESTON's pen.

At the age of twenty-one he was selected by his old employers to revise the American edition of King James' translation of the Bible. This was a very important position, and shows the confidence he had inspired; while the work itself still remains a monument to his judgment, untiring energy, perseverance, and care.

A year later, in 1815, he took one step more in his upward progress —the publishing and printing establishment of GREENOUGH & BURRILL being placed under his entire charge. When he accepted the position the house was in an embarrassed condition; but within the three years during which he managed its affairs he was able to discharge all its debts and build up a profitable business. Thus we see that the young apprentice, by diligence, perseverance, close application, and strict integrity had attained the highest position within the gift of his old employers, and had learned to direct the business he first sought to follow.

We now come to another important period in Mr. TILESTON's career. He had passed through his boy experience successfully; he had mastered the trade he was apprenticed to; he had shown himself capable of directing, as well as following, and now, at length, when he had thus successfully battled with the many difficulties of his younger days and overcome them, a wider field of operations opened before him. Previous to the war of 1812, Massachusetts was a commercial, not a manufacturing State. She readily found a market for her surplus breadstuffs and fish, and was content that, while she was a producer, England should manufacture for us. South Carolina, strange as it may seem, was then in favor of a protective tariff to build up our manufactures, while Massachusetts was opposed to it. The war of 1812 worked a decided change. By reason of it Massachusetts lost her market, her surplus capital was thus driven out of employment, the country became bare of English goods, and the necessities of the case drove this New England State into the manufacturing business. At first, however, her trade was of course very

limited; but when the war was over she sought to have her new enterprises protected and to extend her sales into other States. The town of Haverill had, like many other places, become a manufacturing center. To extend their business, the leading houses there of that day had been in the habit of sending out occasionally an agent to New York. Now, however, they proposed to change their plan, and desired to establish a permanent agency in this city. With this idea, it was proposed to Mr. TILESTON, in conjunction with Mr. SPOFFORD, who resided in the same town, that they should establish themselves in New York and become their agents—promising constant consignments of their manufactures. This proposal was accepted, and formed the beginning of the firm of SPOFFORD & TILESTON, in this city, in the year 1818.

New York at that time contained about one hundred thousand inhabitants. To a young man of ardent temperament and kindly sociable feelings, life, in such a city, brought with it very many temptations; but Mr. TILESTON possessed firm principle, and was enabled, therefore, successfully to resist them. He took board in Pearl Street. It will be remembered that Pearl Street was at that period, as it now is, occupied for business purposes, with this difference, however, that then, in most cases, the families of the firms engaged in business below lived in the upper stories, or let them as boarding-houses for clerks and others. Mr. TILESTON took board at one of these places, where there happened to be at that time twenty-five young men of about his own age, all having good prospects before them, and to many the future being far more promising than in his own case. With high hopes and earnest hearts they began the battle of life together. Each had sought the city for the same purpose, *but they trod different paths.* Young TILESTON knew that it was only by persevering industry, constant care, and close attention, guided by a clear, sound judgment, that a large mercantile establishment can be built up, and he acted accordingly. While the others, with but one exception, sought a pleasant, easy road to fortune. To-day twenty-four of that little band are either lying in drunkard's graves, or are men without means or standing, broken down and ruined by dissipation.

Would it be possible to present a more instructive picture than this incident furnishes? Let all our younger readers weigh it well, and flee large cities if addicted to extravagances of any kind. A man who has strong religious principle, who is not afraid to work and who possesses energy, perseverance, will, and courage, may go to Boston, Philadelphia, or New York and succed; but let all others stay in their country homes. Remember that about twenty-four out of every twenty-five who leave the country to seek their fortune in a large city fail utterly and miserably.

Many men, having reached the position Mr. TILESTON now occupied, would have felt satisfied to have simply built up his commission business, attended to it faithfully, and receive the profits which must of necessity accrue. But in his mind there was a desire for something more than the mere accumulation of money. Not that in any of his business plans he failed to consult prudence, safety, and the probable returns—for his sound common sense and excellent judgment prevented him from undertaking any enterprise that did not promise success; but yet, while consulting prudence, his ambition sought a wider field to play in. A dollar earned in opening a new trade, in which his country was to be benefited, seemed in his eyes to have a peculiar brightness; to construct the fastest vessel

that floats, bearing the stars and stripes into unknown seas and by unknown lands, was a work that to him had an especial charm and fascination.

And here let us say, that to our shipping merchants the nation owes a debt of gratitude which it never can repay. To be sure, what they have done has been to their own advantage, but many times more to their country's advantage. No standing armies, no floating navies—however grim and threatening with war's death dealing weapons—can do a thousandth part for the honor and glory of the country that their peaceful enterprise has daily done through years that are past. Such names as the Aspinwalls, the Grinnells, Tilestons, and scores of others we might mention, must live in the hearts of the people, a cherished remembrance, for years and years to come. By sending their ships and steamers all over the world our greatness has been proved everywhere, and our wealth has been increased through the trade they have thus brought us; and shame, we say, on the officers of our Government that are now permitting the country to be shorn of this, its pride and honor, by a few audacious privateers.

The first connection of Mr. TILESTON with the shipping business was about the year 1822, when the house of SPOFFORD & TILESTON became the agents of the Boston and New York line of packets. As an interesting fact in our commercial history, it may not be out of place to mention here that the packets referred to were sloops of one hundred and twenty tons burden, and some of our old inhabitants may recollect the names of the *Delight*, the *Hero*, and the *Boston* as among the prominent packets of those days. Thus, through their trade as commission merchants, they took their first step in the shipping business.

We next find Mr. TILESTON extending his enterprise in a Southern direction; for about the year 1826 he became engaged in the South American and Cuba trade. For the few years previous the cultivation of coffee throughout the world had more than equaled the consumption. Many merchants had imported large quantities of it, and lost heavily by doing so, as the markets were overstocked and prices were continually falling. Thus, at a time when those who had been engaged in this trade were giving it up as hazardous and unprofitable, Mr. TILESTON'S firm embarked in it. Many fears were expressed by their neighbors lest they, too, might be ruined by thus extending themselves in a manner so unwise. But these over-zealous friends did not look through Mr. TILESTON'S eyes. He had examined the matter with his usual care and thoroughness, and his judgment told him that in the very business his neighbors lost so largely last year he should find great profit now. And so it turned out; for, being able to buy coffee of the planters at one and-a-half cents per pound, he could, after paying duties and expenses, undersell the market here and yet make the enterprise a very successful one. Thus began Mr. TILESTON'S connection with the Cuba trade, which has been very profitable, and is continued to this day. First, for the purposes of this trade, he chartered several sailing vessels, and afterwards bought or built a number of schooners and brigs, among which we recollect the *Hesper*, *Orient*, *Frances*, *Navarino*, *Hellespont*, *Casper Hauser*, etc. When brigs became too small and insignificant for the increased business, he built the *Havana* and *Christopher Colon*, two elegant packet ships which, in accommodation, excelled perhaps the steamships of our own day, and were

fair competitors for speed with the finest clippers ever constructed.

But Cuba and South America have not alone engaged the attention of himself and his partner. In 1850 they became the owners of the Dramatic Line of packet ships between Liverpool and New York, and have since added many vessels, by purchase and construction, which will readily be classed by all as among the best sailing vessels afloat. In 1846 they built the steamship *Southerner*, and a year later the *Northerner*, for the Charleston and New York line, and as far back as in 1856 constructed a kind of tow boat, or excursion boat, named the *Leviathan*, which made twenty-three miles per hour, then, no doubt, the greatest speed which had ever been obtained by a steam vessel. Following the improvement of the times, we all recollect the names of the *Marion*, *Columbia*, *James Adger*, and *Nashville* as belonging to Mr. TILESTON'S line of steamers. When the war broke out three of these, the *Marion*, *Columbia*, and *James Adger*, were in our own harbor, and one of them, the *Nashville*, at Charleston. Though it must have been painful to the truly patriotic feelings of its builders to know that this vessel had been torn from its peaceful pursuits to subserve the reckless purposes of rebellious men, and that she so long eluded the vigilance of our cruisers, we can well imagine that there must have been some commercial pride mixed with their regrets when, day after day, they learned that the *Nashville* proved too swift to be captured.

Further commercial intercourse with South Carolina being prevented by reason of the war, Mr. TILESTON now gave renewed attention to the Cuba trade, and established a steamship line between Havana and New York, greatly to the advantage of the commerce of both places. For the purposes of that trade they commenced the construction of the steamship *Eagle*, but it was burnt before entirely completed. A second *Eagle*, however, arose, Phœnix-like, from its ashes, which to this day is unsurpassed in speed and modern improvements by any vessel afloat. We hear that the contract is now made by him for a new steamship, which is expected to be superior in all respects to its predecessors.

Thus we see that though Mr. TILESTON is now three score years and ten, he is still a young man. The same ambition and enterprise he had when first beginning business in New York he now has; he is always trying to lead, not to follow; to be in advance of the times, not simply to keep pace with them. One who has known him for many years said of him, "He has always appeared to be Young America on the shoulders of seventy years' experience." When sloops were the order of the day, he built a fast schooner; when brigs were the common craft for communication between New York and Cuba, he built a ship; when ships were too slow, he built a steamship; and to-day he is continually examining every novelty in marine architecture or machinery, so that his steamships may surpass all others. In this, he shows the characteristics of Young America. But his experience has fully taught him to follow the lesson of PAUL, to prove all things and to hold fast that which is good. It is to this happy combination of youthful, progressive activity, with the careful judgment of maturer years, that much of his success is owing.

Still, notwithstanding his care, and judgment, and enterprise, and energy, it is only after years and years of labor that his present position has been attained. Let, therefore, no one imagine that it is the result of fortunate circumstances. Precisely the converse of this is true of him;

for all the good fortune he has had in life has been worked out by himself, from materials and with tools open to all. During his entire career, his upward march has always been regular and continued, so that his wealth is the accumulations of a life of constant labor, and not the fruit of speculation or of spasmodic effort. Step by step has his progress been from the very first. By doing with his might whatsoever his hands found to do, he has been able to excel in everything he undertook. When he was a printer's boy, he allowed no other boy to surpass him; and subsequently, in type setting and proof reading, he became the acknowledged head of the office. So, too, when called by Messrs. GREENOUGH & BURRILL to a more responsible position, his quickness to see and understand the difficulties by which he was surrounded, and energy to apply the necessary remedies, proves itself in the result, he having brought order out of confusion and prosperity out of embarrassment. Always mastering every business he undertook, and learning all he could by means of it, we find him fitted for a merchant's life before he was called to his responsible position in this city. Nor did he here acquire wealth suddenly. There was first a business to build up—goods to make known—customers to obtain—the market to watch—everything to be attended to faithfully. Like every other house that has started from such small beginnings, progress was at first very slow. Many dark days, as well as sunny ones, is the experience of every man's life. But unsuccessful enterprises did not discourage him. Thus, through sunshine and clouds, his course has ever been onward and upward; step by step, he has mounted the hill with unfaltering trust, knowing that it only required one step at a time, continued through succeeding years, to enable the earnest, energetic, right-minded man to reach the summit.

How much do we need the lesson this fact teaches us, especially at the present time. Making money *fast* is the dream and the ruin of young men. They look at the successful, and forget that it is only the result of perhaps fifty years of constant effort; so they think that by some chance stroke, some lucky hit, a fortune is to fall into their hands. One of the twenty-five young men, to whom we have already referred as boarding with Mr. TILESTON when he first came to New York, drew a prize of twenty-five thousand dollars in a lottery. How much better this mode of making money must have appeared to him than that of toiling to build up a new business. Here was what, at that time, would be called a large fortune made in a day, without labor and without care. Most likely he congratulated himself on his success, like many of our whisky or stock speculators of the present day. Out of the thousands who strive to find a short road to fortune, nearly every one shipwrecks himself at the outset without even having caught sight of the coveted prize. Now and then, one may draw a lucky number, and then he is sure to congratulate and pride himself on his sagacity. But riches that come easily prove a curse rather than a blessing. So it was with Mr. TILESTON'S acquaintance. Within a year from the time that young man drew the envied prize, *he had spent his fortune and killed himself.*

In what we have already said, we have frequently referred to Mr. TILESTON'S excellent judgment and ability to see quickly the merits of any enterprise. Even when he first entered the office of Messrs. GREENOUGH & STEBBINS, these same qualities of mind were strongly prominent for one so young. His first independent venture at money making, although

very boyish in its code of morals, was so clearly conceived and vigorously carried out that it forms a curious index, in this respect, of the later character of the man. Shortly after obtaining his situation as an apprentice, the theatrical world of Boston was astir with anticipation, for the play of "The Forty Thieves," with a grand cast, was to be presented upon a certain Tuesday. It flashed into the mind of young TILESTON that to procure and publish this play, *before* the eventful Tuesday, would be to secure large sales and good profits. Having suggested the plan to his boy companions in the office, and inoculated them with his own ambition, it was agreed that one of them, who luckily happened to be the prompter of the theater, should copy the play and furnish the manuscript by Saturday. Saturday evening, therefore, after office hours, these three young publishers began their gleeful task. During that night, through Sunday and Sunday night, they labored upon it, and Monday morning young TILESON delivered great packages of this new issue at the different bookstores, and posted flaring bills of announcement. The next day the manager of the theater and owner of the copyright appeared in the office and demanded of Messrs. GREENOUGH & STEBBINS by what right they had published it. These gentlemen of course denied all knowledge of the matter, and the baffled manager retreated. The following morning, however, he renewed the assault with such vehemence that Mr. GREENOUGH, to satisfy him, called up by turn the foreman, the employees, and even the boys, except TILESTON, who was considered too small to know anything about such weighty matters. All protested their innocence, and the manager retired for the second time. On the morrow, however, he reappeared, intrenched and doubly sure. "Mr. GREENOUGH," said he, "I have carried that play to every printer in town, and they declare, to a man, that that type never came out of any office in Boston but yours." Mr. GREENOUGH himself acknowledged that it did look like it, and the two stood confounded over it. "Boys," whispered TILESTON, "I guess I had better out with it; I believe I can manage it yet." So he walked up to Mr. GREENOUGH and the manager, and frankly confessed the whole thing, from beginning to end. "Did you know it was copyrighted?" demanded the manager. "I didn't think anything about a copyright, and hadn't the least idea that we were doing anything wrong till after it was done." "Why did you do it?" asked Mr. GREENOUGH. "To make money, sir." "Have you made any money, and what have you done with it?" "It isn't all divided yet, but I have had fifty dollars as my share so far, and spent it for clothes." The whole thing was too amusing and too boyish, and the confession too frank, for further admonition, and nothing more was heard about "The Forty Thieves."

We give this incident simply to show how early this enterprising spirit and business judgment developed itself. In later years, there was constant and absolute need for its exercise. All can easily understand that the immense business carried on by his house must, of itself, have required the clearest judgment and unusual quickness of perception to manage it successfully. Thus, for forty-six years, he has been engaged in this great work, and the credit of the house during all that time has remained as unshaken as the granite rocks of his native State. When the storm in the commercial world arose in 1837, and again in 1847, and still again in 1857—seasons in which the fortunes of many were wrecked, and the hearts of a still greater number failed them for fear—his ship

was found with sails furled and yards braced, ready to encounter the fury of the blast. Of course, he lost many thousands and hundreds of thousands of dollars, through the failure of others and the depression of the markets; but yet, like a true sailor, he foresaw each storm, and when it reached him he could grasp the rudder with a firm hand and guide his ship with undaunted courage into calmer seas.

This same quickness of judgment and energy we also see illustrated in the readiness and earnestness with which he adopted the idea of a clearing-house for the banks when it was first suggested to him. We may think now that it was a very simple thing to foresee the usefulness and necessity of the Clearing-house. In fact, when any great work has been accomplished, the benefits of which are incalculable, we all wonder why it was not thought of and carried out before. And yet every such benefit we have received has been the work of far-sighted men, and has only been effected amid the bitter opposition of the unwise many. How easy it was to discover that the world was round, and that it revolves on its own axis every twenty-four hours! How simple men must have been, to have disbelieved so long the existence of this continent! How foolish not to have applied steam and electricity to their present purposes, long, long ago! And how weak to have lived and labored so many weary weeks and years without the cotton-gin! Yet each one of these, and every other step in the march of improvement, has only been taken amid strong opposition, many times amounting even to persecution. Still, now, we all wonder why the truth of such plain propositions should not sooner have been proved and adopted. So, too, it is with the establishment of the Clearing-house. At the present time, it seems almost impossible to believe that any one should have failed to favor it. What could the New York banks do to-day without it? Think of the millions in exchanges made there every day, all occupying only a few moments, and then fancy the same work being done in the slow, expensive (both in time and money), and unsafe routine of former days.

We should like to stop here, and give a history of the conception, birth, and growth of the New York Clearing-house, showing how the mind that has guided it ever since it was formed, labored long and earnestly, amid the opposition of very many good men, before the idea was adopted by those most interested; but we shall hope to do justice to that subject on some future occasion. Our only object now, in referring to this work, is simply to state the part Mr. TILESTON took, as it illustrates his quickness of judgment, his determined action, and that entire confidence, which he has always shown, that what his judgment approves can be and must be accomplished. He was one of the very first of the bank officers to see the value of the plan proposed, and to become thoroughly enlisted in its behalf. It will be remembered that during the year or more the subject was agitated, many meetings were held, at which the matter was discussed and very great opposition was manifested. During all this time, Mr. TILESTON was recognized as a leader in the movement and was called to preside at each of these meetings. After one of them, in 1853, a bank president on the west side of the city, who was bitterly opposed to the measure, said to him, "You have always been successful, Mr. TILESTON, in everything you have undertaken, but now you will find you have undertaken more than you can manage; in this Clearing-house effort you will fail." Mr. TILESTON quietly replied, "My dear sir, I shall

not only not fail, but within five months you will see the Clearing-house established, and, more than that, you will then wonder how you could have done without it." About two months after that conversation, this prophecy was fulfilled, and the New York Clearing-house Association went into operation amid, we might almost say, the rejoicings of its opponents as well as of those who favored it. Of course, the same interest Mr. TILESTON took in this movement, when it was in its inception, he has always continued to feel, and we believe has never been absent but from one meeting during the ten years this organization has existed. For nine of those years, he was annually elected chairman. The duties that have devolved upon him in this connection have been, at some periods, and especially during financial troubles, very great; and when we remember that all these were in addition to the care and thought his extensive business required, and the close attention the affairs of the bank of which he is president received, and also the claims of other important trusts he holds (none of which he would ever slight), in addition to those of his family and friends, we cannot but wonder and be astonished at his present continued powers of mind and body, his clear eye and firm hand.

Mr. TILESTON'S interest in, and connection with, the Clearing-house arises, as our readers are aware, from the fact of his being President of the Phœnix Bank of New York. He was elected to this position in 1840, and it is a remarkable circumstance that, of the fourteen directors by whom he was then elected, only one, the Hon. MOSES H. GRINNELL, is now living. At that time, the credit of the Phœnix Bank had become seriously impaired and its business much deranged. When President JACKSON took away the Government deposits from the old United States Bank, he ordered them to be placed in several State institutions, and the Phœnix Bank was designated for that purpose. The fact of being in this manner connected with Government had the effect of bringing political influences into the management, and, as politics and finances are irreconcilable terms, the natural consequences followed. Then, too, the banks having these Government deposits were led to increase their loans injudiciously, and when, therefore, their deposits were taken away from them, the difficulty of suddenly contracting to meet the Government demands ruined their customers, and, in many cases, the banks themselves. From these causes, and others we might mention, the Phœnix Bank, in common with many other institutions, had suffered seriously, as we have already stated. At this crisis, however, in its history, Mr. TILESTON was called to the Presidency. Of course, it required tender nursing and careful attention, together with great executive ability, to restore the capital and put the bank upon a sound basis again. But the records of that institution show us that this was all done, and the following inscription, bearing date 1856, on a beautiful, large size, massive silver salver now in the possession of Mr. TILESTON tells us the whole story.

TO T. TILESTON, OF N. Y.

FROM HIS FRIENDS, STOCKHOLDERS OF THE PHŒNIX BANK, IN TESTIMONY OF THEIR RESPECT AND REGARD FOR THE SKILL, PERSEVERANCE, AND COURTESY WITH WHICH, AS ITS PRESIDENT, HE HAS RE-ESTABLISHED THE CAPITAL AND RESOURCES OF THAT INSTITUTION.

No words of ours could add to the force of this brief record. It only remains to say that he is still President of that institution, and now no bank in the city of New York stands on a firmer basis than the Phœnix.

As its President, and as Chairman of the Clearing-house Association, Mr. TILESTON has been prominent in all the joint arrangements of the banks in aid of the Government during the past three years, having been on almost every important committee; thus giving to his country what assistance he could during the period of her greatest need. And it is not out of place to add here, that when the record of the present time shall be made up, the truly honorable and patriotic course pursued by the banks and their officers of this and other cities will form a bright page in the history.

Our space will not allow us to refer to all the positions of trust Mr. TILESTON has filled during his long and useful life. His labors, counsel, and advice have always been freely given, and have left their mark upon the great institutions of our city. With the Atlantic Insurance Company he has been connected from its very first organization in 1829, at which time he was chosen one of its directors. In July, 1842, this old company was dissolved, and a new one organized to do business on the mutual plan. Ever since the re-organization he has been chairman of the finance committee, and our readers can readily imagine to what extent his mind has contributed to the success that company has met with. Organized in 1842, with a capital of one hundred thousand dollars, paying back that capital, with 43½ per cent profit in eighteen months, and each year since declaring immense dividends, while at the same time the surplus has been increasing until now it has reached nearly ten millions of dollars—is in brief its glorious history. To no one man, of course, is the credit of this prosperity wholly due; for no company was ever more fortunate in the selection of all its officers. As underwriters, their balance-sheet proves their excellence; as financiers, the unimpaired and ever-increasing surplus speaks aloud in their praise.

The old Atlantic Insurance Company was many years passing through the slow and tedious process of liquidation. Lawsuit after lawsuit dragged its slow length along, so that year after year slipped by without any end being reached. Under these circumstances, Mr. TILESTON was appealed to to try his skill at smoothing over the troubled waters. At once applying himself to the work, he soon was able to make his report; and what his success was we may learn from the fact that he now has in possession two beautiful and massive silver pitchers which were presented to him with this inscription, dated March, 1859, the time when the labor he undertook was completed:

PRESENTED TO
THOMAS TILESTON, Esq.,
AS A TOKEN OF ESTEEM AND APPRECIATION OF HIS SERVICES IN AIDING THE SETTLEMENT AND CLOSING OF THE ACCOUNT OF THE ATLANTIC INSURANCE COMPANY OF NEW YORK.

Before closing this brief record of Mr. TILESTON'S business and public life, it is fitting that we should refer to his success at self-cultivation. We have already seen how few advantages he had in his younger days, how early he began the business of life, and how extended his engagements have been since. Yet the same thirst for knowledge that animated him when he entered the printing establishment must have followed him ever since; for he has not only made himself a successful but a thoroughly educated business man. Few are better informed than he, and his familiarity with many authors is truly surprising, when we consider his extensive business engagements and other duties. In impromptu speaking he has also been able to excel, addressing an audience with ease and flu-

ency, sometimes eloquently, and always with good, sound, common sense. He was a great friend and admirer of DANIEL WEBSTER—entertaining him frequently at his own house and visiting him at Marshfield in return. We have before us a short address made by Mr. TILESTON on the celebration at the Astor House, New York, of the seventy-second anniversary of WEBSTER's birthday. The following extract from it contains one or two interesting incidents, happening during a visit of Mr. TILESTON's at Marshfield, and we therefore give it:

"We started, one morning, on a fishing excursion; on going out of the bay, the bony fish, as they are termed, were very numerous; the whole shore was lined with them; and his men were engaged, with their nets, in taking them, to fertilize the land. We, however, proceeded, and when two or three miles from the shore our boat was anchored, and we commenced fishing, and, as the fish were plenty, began to draw them in at a great rate, satisfied that we were doing a good business. Mr. WEBSTER caught none! he was seeking higher game; soaring, as was his usual practice, for something beyond his companions. Just at this time he said, 'I've got him!' and we all turned to see what it was. All was silence! 'Be still!' said Mr. WEBSTER. Not a word was spoken. Occasionally the fish was allowed to run with the line, and then he was drawn gently toward the boat. He called his men to him, and ordered them to have their boat hooks ready to secure him as soon as he should appear on the surface. It was a fine hallibut, weighing, it was judged, at least two hundred and fifty pounds. All was still as night, and the fish was now visible; the men, with their hooks, were ready, and just at the moment they were to secure their prize, the line parted, and off went this powerful stranger. I shall never forget the appearance of Mr. WEBSTER. If he had discovered that his mansion at Marshfield was on fire he would not have been so much excited. 'Oh!' exclaimed he, 'was he not a noble fellow!'

"Returning from our fishing excursion, about noon, we noticed on the beach a farmer, with a wagon and horses. As we landed, the man approached Mr. WEBSTER, and taking from his pocket a long leather purse, handed him a half dollar, saying, 'Your men have been very successful to-day in taking bony fish, and I have loaded my wagon with them, and it is right that I should pay for them.' Mr. WEBSTER was taken by surprise; but disliked to refuse the half dollar, fearing it might give offence. The farmer then drove off, and Mr. WEBSTER, turning to his friends, said that this was the first money he had ever received from his Marshfield estate."

We have thus hastily and briefly noticed the main incidents in Mr. TILESTON's life, and illustrated the leading charcteristics of his mind. The causes, humanly speaking, of his great prosperity are not far to seek: a judgment quick and cautious, clear and sound; a decided purpose, a firm will; energetic and persevering industry; punctuality and fidelity in every engagement; justice and honor controlling every transaction, and courtesy—that true courtesy which springs from genuine kindness—presiding over all the intercourse of his life, may be said, in brief, to have been the stepping stones to his success; for they are the means which common sense dictates, and which Providence is wont to bless.

Clearly, however, it is not to these mercantile virtues, nor to his acknowledged success as a great merchant—possessed as these are in common with many others—that Mr. TILESTON owes his present high standing among men. Those better qualities which alone can ennoble enterprise and dignify success have marked his whole career. The hard earnings of his boyhood were cheerfully devoted to the comfort of his mother, his brothers and sisters, and it is safe to say that the son and brother who has shown himself true to the claims of kindred will be found wanting in none of the relations of life.

In closing, therefore, let us earnestly commend to our younger readers the study of what we have written, and ever to remember the example of Mr. TILESTON—the Mechanic, the Merchant, the Banker, and the Man.

THE NATIONAL REVENUE.

BY HON. AMASA WALKER.

The credit of a government, like that of an individual, depends upon its ability and fidelity. If it have the means and disposition to discharge its obligations, its promises are regarded as reliable, and its credit is good. It is not enough that a nation is rich; it must also be honest; not enough that it might pay, but that it will pay. Not only the honor, but the interests, of any people are best secured by maintaining its credit above all suspicion. The power of a government, like the power of an individual, is immensely increased by having an unimpeached credit.

From the year 1820 to 1860, the subject of national finances occasioned no anxiety whatever in this country. Our revenues were abundant, our expenditures small. In this regard we were the most favored people on the globe. The case is now entirely changed.

Hereafter, and doubtless for a long time, the demands upon our public treasury must be great, while the yearly income derived from our former ordinary sources of supply will be comparatively small.

It necessarily follows, that if we would meet our engagements and maintain the national credit, new taxes must be imposed, and of sufficient amount to meet our accruing liabilities.

This, Congress, with a commendable degree of promptness, have already, to some extent, endeavored to do. The customs have been increased since the war begun, and both direct taxes and excise duties have been imposed. Are these sufficient? If not, how shall they be adequately increased? These are the questions we propose to consider. And first, what are the wants of the Government now and prospectively?

At present, they are immense—some two millions per day; of course, so large that it is neither reasonable nor practicable to meet them with any revenue that could be derived from taxation alone. A large debt must, of necessity, be contracted. The Secretary of the Treasury estimates that, on the 30th of June next, it will amount to about $1,600,000,000. It is probably a moderate calculation that the debt which will exist at the end of 1864, should the war close by that time, will be $2,000,000,000. The interest on that sum, at six per cent, will be $120,000,000 annually. Besides this, the current expenses of Government, in time of peace, must be met, and, unless we wish to imitate the example of some European governments, and make our public debt a never-ending tax upon the industry of unborn generations, we must provide for its liquidation. It should all be paid off within the lifetime of the generation which has contracted it; that is, within a period of about thirty years. No other principle is either honest, or just, or compatible with the best interests of any people.

In regard to our future expenditures, in time of peace, it is hardly probable that they will be less than eighty to one hundred millions per annum, even with the best economy; for we shall undoubtedly have a much larger army and navy than heretofore. The nations of Christendom are evidently about to enter upon a wider career of military and naval expenditure than ever before; the navies of the world are to be *iron-clad*, whether for harbor defences or ocean warfare, and will necessarily involve such enormous out-

lays as must not only cause greatly increased and increasing taxation, but forbid all hope of the extinction of national indebtedness, except by repudiation.

The only prospect of deliverance from this terrible dilemna seems to come from the proposition of Louis Napoleon for a Congress of Nations, to agree upon mutual disarmament, leaving every individual nation just as relatively and absolutely safe as before, and relieving all from the oppression of an insane war system, to the demands of which there is no possible limit but the complete exhaustion of national resources. In the meantime, the nations of Christendom must struggle on with their self-imposed burdens as well as they may.

It is to be hoped, and we trust may be safely assumed, that the people of this country are too intelligent to accept the absurd dogma, that "a national debt is a national blessing;" that they do not believe that a republican government, made by and for the people, needs to be propped up or bound together by the despotism of national indebtedness; that they do not admit that their happiness or welfare will be promoted by paying one hundred and twenty millions of dollars out of the avails of their annual industry to meet the mere interest upon a public debt, without any hope or prospect that it will ever be lessened. Notwithstanding the efforts that seem to be made in certain quarters to educate the people to the monstrous fallacy, that perpetual taxation to pay perpetually accruing interest is really a very great desideratum, it is, we trust, quite certain that such efforts will be unsuccessful, and the people of this country be found sensible enough to repudiate the idea of a permanent national debt. If so, then provision must be made for its liquidation; and it would seem that the least we should attempt would be to pay off fifty millions annually for the first ten years, and seventy-five millions for the next twenty years, which would extinguish a debt of $2,000,000,000 within thirty years. This can only be done by a vigorous and intelligent system of taxation.

But the subject which presses itself upon our attention at the present moment is not our prospective, but immediate, wants, and the means of supplying them. The entire estimated receipts for the year ending June 30th, 1864, amount to but $206,836,539 63, and this includes over five millions balance in the Treasury. For all else, resort must be had to loans, unless Congress shall impose additional taxes. The Secretary of the Treasury, speaking upon this point, says: "*But no one can be more profoundly convinced than himself of the great importance of providing even a larger amount than is estimated from revenue. To check the increase of debt, must, in our circumstances, be a prominent object of patriotic solicitude.*" * * * *He, therefore, "feels himself bound, by a prudent regard to possible contingencies, to urge on Congress efficient measures for the increase of revenue.*" In nothing does the Secretary exhibit his good judgment and sound discretion more fully than in this suggestion. It is, indeed, one of the highest importance, and ought to meet with the approbation of every loyal citizen, and, above all, receive the prompt and efficient indorsement of Congress, by appropriate action.

The English Government manifested its wisdom and foresight, by providing for an immense taxation, during its great struggle with Napoleon. The national burdens which, in the earlier part of the reign of George III., had been only to the amount of fifteen to twenty millions sterling, were carried up to seventy millions during the wars with the French Empire—

equal to about eighteen dollars per capita to the whole population. This was tremendous taxation, but nothing could be more salutary or seasonable. It furnished a large amount of immediate means for the Government, and, what was more important, it showed to the world that the British Parliament had the power and disposition to impose such taxes as the exigency required, and gave good assurance of its full determination that the responsibilities of the nation should be met. The conflict was closed triumphantly, but, with all the cotemporaneous taxation, it left a national indebtedness over $4,000,000,000. If we would secure an equal credit with England, and equal success in our struggles, we must imitate her example, and impose the most productive taxes possible. This we owe to ourselves, and to those who shall come after us. In what manner can this be most effectually done? There are three important sources of revenue. The public lands, which, under a wise and judicious policy, would be sufficient to discharge our whole national indebtedness, have, owing, as the writer must think, to a mistaken course of legislation, been rendered nearly worthless to the Government; and it is more than doubtful whether that impolitic course can be changed, and if not we must give up all hope of any considerable revenue from what ought to be one of the most prolific, as well as least burdensome, and most advantageous modes of supplying the National Treasury.

This great opportunity being lost (unless our policy in regard to the public lands be changed), our main reliance must be upon customs, excise, and direct taxes.

Of all modes of raising a revenue, that by Custom House duties is the most popular. True, it is the most unequal, but nevertheless, as under its operation the people do not know precisely when they pay, nor how much, it is more satisfactory than any other. It is, therefore, as desirable to raise as large an amount from this source as practicable.

The main points to be observed are, First, not to impose duties that shall cripple or interfere with our own manufactures, as high duties on raw materials, etc. Secondly, to bring as large a tax on luxuries as they will bear, without essentially reducing their consumption. Thirdly, to lay the heaviest duties on those articles, the use of which is least beneficial, or most injurious, to the public welfare. Fourthly, to so arrange taxation that both capital and labor shall bear their appropriate share. A perfect equality is of course, unattainable; but the nearest approximation should be aimed at.

TAXATION A SCIENCE.

Taxation is a science, and, like any other science, is founded on the observation of facts, from which certain principles are deduced as true in their application and as important in their influence as those of any other science whatever. If these principles or laws are regarded, the largest revenue will be obtained, with the least possible detriment to the public. If they be disregarded, dissatisfaction and disappointment will follow. Among all the nations of the earth, England stands pre-eminent for her stupendous system of finance. Necessity is the parent of discovery, and the extreme necessities of the British Government at different periods have compelled the most careful investigation and the most accurate knowledge of all facts connected with the raising of a national revenue. Hence, England has made greater advances in that science, which, unfortunately for us, we are now called upon to study. We, too, must resort to heavy taxation. Our large pecuniary obligations must be met; we cannot shrink from them, if

we would. Honor, interest, self-preservation, all alike demand that we meet the crisis in a prompt and decisive manner.

OUR CAPABILITIES.

We must raise a large revenue, but, fortunately, we have ample means. We shall owe an immense debt, but we have correspondingly immense resources. Our annual taxes will be large, but so is our annual income. There is, in truth, no nation on the globe that has so wide a margin from which to raise a public revenue. We have no considerable class of persons who cannot contribute towards the public burdens. In most other countries a large proportion of the population is so near to absolute pauperism, that they cannot be called upon to any extent. This makes a great difference in our favor.

Then, again, no nation is increasing so rapidly in population and wealth. Immigration from foreign lands is prodigious, and a powerful tide of emigration from the East is constantly flowing to the West, and opening its vast and fertile prairies to the most profitable cultivation. We create a new State every year. Such being the case, we have only to set ourselves earnestly and intelligently at work, and we may establish a system of revenue which, without bearing oppressively on any class, or in any perceptible degree interrupting our industry or impairing our productive energies, will give us ample means to discharge all our obligations, and maintain our position and prestige as one of the foremost nations of the earth. If the Government have the courage to impose the needful taxation, the people will cheerfully and bravely bear it.

REVENUE FROM LIQUORS AND TOBACCO.

Experience in other countries has shown that the most productive, and least oppressive, taxes are those imposed upon such articles as the people will have at whatever cost, and which they purchase for consumption in small quantities. These, above all other others, are liquors and tobacco. Heavy taxes on tea, coffee, and sugar have usually caused a falling off in the consumption, but not so with the first mentioned articles. This is one of the many lessons taught by the history of British taxation. There is little reason to suppose that human nature is essentially different on this side the Atlantic; therefore, the most onerous and productive imposts may be laid on these articles. Acting on the knowledge of this fact, the British Parliament lays heavy Custom House, excise, and license duties on spirits, wines, beer, and tobacco, amounting in all to an aggregate revenue of $120,000,000. And this, too, without complaint or disturbance. The propriety and expediency of such large taxation upon the articles enumerated consist in this, that if it does in any degree reduce the consumption of them, it neither interferes with the industry or happiness of society, but in so far greatly promotes both. There seems no good reason why, at least, $100,000,000 should not be raised on these articles alone. An intelligent writer in this magazine, in the June number of last year, says:

"There is no reason why strong drink should not be taxed as high here as in England. The quantity consumed is as follows:

Domestic	gallons	90,000,000
Beer		100,000,000
Imported		4,000,000
Total		194,000,000

"A tax of fifty cents per gallon would give a sum equal to the amount from the same articles in England. The duty on *imported* liquors is one to two dollars per gallon, and there is no good reason why the whole should not pay at the same rate. Tobacco ought to pay $30,000,000, as in England, and could be made to do so without detriment to national interests."

TAXES ON DISTILLERS AND LIQUOR DEALERS.

In this connection, we may properly mention that an additional tax should be laid upon distillers, who now pay but the trifling license duty of fifty dollars, however large the business transacted. If the amount distilled does not exceed three hundred barrels, the license is but twenty-five dollars —equal to eight cents and a fraction on a barrel! Now, is it not obvious, that this class of manufacturers ought to pay a larger license or none at all? The business of the distiller may, and often does, amount to several hundred thousand dollars per annum, upon all of which his license tax is only fifty dollars. True it is, that his liquors are, by the same bill, subjected to a tax, but so are all manufactures. Retail dealers in liquors pay but twenty dollars for a license; wholesale dealers, twenty-five dollars and upwards, according to sales.

HOTEL LICENSES.

Perhaps the most striking inequality of taxation under our present laws, is found in the licenses of "hotels, inns, and taverns." "A first-class hotel," with a rental of $10,000, or more, pays $200. Now, such a hotel may, and in many instances does, have an aggregate business of $150,000 and upwards per annum—a business, too, affording a larger profit with less risk than almost any other—yet the license is but $200! A manufacturer of cotton goods, or any other description of merchandise, whose business amounted to $150,000, would pay the Government $4,500, upon products less profitable than the receipts of a hotel.

Hotels of less rental are taxed accordingly, descending in a graduated scale to the pitiful license of five dollars per annum. Can any good reason be shown why the business of hotel-keeping should not be taxed, like that of the manufacturer, upon the aggregate amount of their sales or receipts? Certainly no class can better afford to contribute its due share towards the public burdens, and a just tax on this department of business would give a handsome addition to the national revenue. It cannot be urged against this proposition, that the hotel-keeper pays an income tax, because so also does the manufacturer, and three per cent on his products besides.

TAXES ON BANKS.

In this connection it seems proper to allude to the proposition of the the Secretary of the Treasury, that a tax of two and two-fifths of one per cent be laid on corporate note circulation, and twelve twenty-fifths of one per cent on deposits. No tax could be more rightfully imposed. The banks of the different States, it is well known, issue their notes to an amount far greater than the amount of specie held for their redemption. They also give credits upon their books for very large amounts, which they call "deposits." The aggregate of these, by the official returns as published by order of Congress, amount to more than five times as much as the cash on hand. The average amount of specie to circulation and deposits, from 1834 to 1858 inclusive, a period of twenty-five years, was only eighteen

cents and three mills on the dollar—varying in different years, from thirty cents in 1834 to thirteen in 1857.

Now, it follows from these facts that the corporate banks have the privilege of issuing, as currency, in the way of circulation and inscribed credits or deposits, an immense sum, on which they obtain interest, but which they create, as Mr. CHASE says, "without cost except the preparation, and without interest except the duties imposed on it."

The loans of all the banks in U. S. in 1856 amounted to..	$634,183,000
They held, besides, stocks on which they received interest..	49,486,000
Total.....	$683,668,000
The capital of these banks was only.....	347,423,000
Excess of loans over capital.....	$336,245,000

On this sum the banks received interest, which, if we reckon at seven per cent—a moderate estimate—as the dividends of the Massachusetts banks, which are the lowest usually, are about seven, while in many of the States the dividends run from seven to twelve per cent, the result will be as follows: $336,245,000 @ 7 per cent = $23,537,350.

Now, it is this income derived wholly from the loan—not of money or capital, but bank credits—which the Secretary of the Treasury proposes to tax.

Taking the same year, 1856, for an illustration, the result would be as follows:

Aggregate circulation of the banks $195,747,000, at 2¼ per cent, would amount to.....	$4,697,920
Aggregate deposits, $212,706,000, at 12½.....	1,020,084
Total amount of the tax.....	$5,718,904

Thus it appears that the revenue derived from such a duty, or tax, would have amounted to nearly $6,000,000, and yet it would have been but about one-fourth of the amount received by the banks for the mere loan of their credit, or the monopoly which they enjoy of manufacturing paper currency. As to the justice of such an impost, it would seem that no branch of manufacture could be more fairly subjected to taxation, since the whole amount created is without appreciable cost, while, at the same time, it commands as high a rate of increase, or interest, as any other product of industry.

If the effect of such a tax should be to reduce the circulation of the banks, no damage would come to the country, for the circulation is already redundant. If it were reduced prices would be reduced, and the expense of maintaining military operations greatly lessened, and the Government would thus gain immensely. Or, if it were thought desirable for the Government to fill the vacuum created by the withdrawal of corporate notes with its own issues, the national treasury would be relieved to the extent of six per cent on the whole amount—a gain more than twice as large as that which would arise from the tax, so that in any event the result would be advantageous.

STAMPS.

Another branch of the revenue might, it is believed, be largely increased

with little inconvenience to the Government or the people, viz: that derived from stamp duties. The whole schedule might be advantageously revised and simplified, while the rates should be largely increased. Recurring to a table at hand, we find that on commercial paper there are thirty-nine gradations of stamps, and six different classes of rates, making, in all, two hundred thirty-four specifications running from one cent to fifty dollars. A little reflection, we think, will satisfy any one that if the number of different stamps was reduced and some of the classifications dispensed with, while at the same time the rates were doubled or trebled, the results would be highly favorable to the revenue, and the burden fall upon a class as well able to bear it as any other. A very large sum should be raised by stamp duties, as it is, of all kinds of taxation, perhaps the most convenient, economical, and productive. The British revenue, from this very cheap and convenient mode of collection, amounted in 1862 to over $40,000,000! This subject should receive early attention from the Committee of Ways and Means.

DUTY ON MANUFACTURES.

Another form of excise, viz: that of a tax on all manufactured goods, is seen, on examination, to be exceeding equitable and just. It drew forth, at first, great opposition from almost every branch of business; but now that the tax has gone fairly and fully into operation, it is probably as satisfactory as any other. There never was any good ground of objection to it.

During the last session of Congress a manufacturer came on from the East with the special purpose of obtaining a reduction, or entire exemption, upon his particular branch of manufacture. Meeting a member in one of the lobbies, the following dialogue took place:

Manuf. "I came on, sir, to get relief from an oppressive burden on my branch of business. There are particular reasons why the article I make should be exempted from the three per cent tax."

M. C. "What amount do you manufacture annually?"

Manuf. "One hundred thousand dollars worth, on which I pay $3,000."

M. C. "And you reckon the tax you pay as a part of the cost of your article, and add it to the price, do you not?"

Manuf. "Why—yes, sir."

M. C. "What average profit do you calculate to make on your goods?"

Manuf. "Fifteen per cent."

M. C. "Then you make fifteen per cent on the amount you pay in taxes, which, if it be $3,000, will give you $450 more profit than you would get if you paid no taxes. Is it not so?"

The gentleman had no answer prepared to this question, and the conversation ceased.

No disadvantage to the manufacturer accrues in consequence of taxes directly imposed upon his fabrics. He charges the amount upon his goods, as truly as the importer charges the duties he pays upon his merchandise, and the consumer ultimately pays all, together with the profits on the same. The latter is the only one who can make any reasonable objection to this kind of taxation.

Such duties in no way cripple the manufacturing interest, unless they be so high as to materially lessen consumption, and that point is very

far from being reached in our present revenue system, and they may be largely increased without detriment if necessary.

DIRECT TAXES.

We now come to direct taxes. This term does not seem to be used with exactness in congressional enactments.

"A direct tax is one which is demanded of the very person who it is desired or intended should pay it.

"Indirect taxes are those which are demanded from one person in expectation that he shall indemnify himself at the expense of another, as excise and customs."—*Mill.*

Direct taxes are imposed in several forms. First in natural order is the capitation, or poll tax. This, as the term imports, is levied upon the head, or poll, of each person taxed, at a uniform rate, and, although general in all taxation by the separate States, is not at present resorted to by the National Government. This is probably the most ancient and, regarded by itself or as the *only* mode of raising a revenue, the most unjust of all modes of taxation. Yet, in connection with a general system by customs and excise, it is as proper as any other.

The property tax is another form of direct taxation. A tax of this sort was laid by the act of Congress, August 5, 1861, to the amount of $20,000,000. It was apportioned among at all the States and Territories. Each State was allowed to collect its individual share, and if this was done by the 30th of June following, a deduction of fifteen per cent was to be allowed.

In the case of Massachusetts, (and probably other States,) this mode of collection was adopted, and the amount included with the other taxes laid on the towns and cities of the commonwealth, and the whole was collected without any appreciable expense—probably not half of one per cent. This would be an admirable mode of collecting a part of the revenue, if all the States would respond with promptness and fidelity, but the misfortune is, that this cannot be fully relied upon. Our history, both in the war of 1812 and during the present contest, has shown this.

Taxes on property may be divided into two kinds. General taxes, laid uniformly on all persons according to the aggregate amount of their possessions, and special, or sumptuary taxes, laid upon luxuries. Of the latter, are those laid upon "carriages, yachts, billiard tables," etc.

Direct taxes, if assessed upon a full and just valuation, are, of all imposts, the most equal and the most cheaply collected—the cost of collection being but about one-fifth as much as in the case of custom-house duties. The great practical difficulty, of course, is to get a perfect invoice and valuation; yet this, when a direct tax is continued for a long series of years, can be attained with more accuracy than would at first be thought practicable.

Sumptuary taxes have long been considered proper, and been resorted to in this country and in Europe. They are intended to bear with special force on those most able to pay them. If not founded on a sound principle, they are regarded as consistent with a wise policy.

The income tax is another form of direct taxation. It may be said to be a modern invention. It was introduced, according to Prof. LEVI, by PITT, in 1798, at a moment of grave exigencies, and was a heavy tax, of no less than ten per cent on all incomes over £200. With some varia-

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tions in rate, it was continued till the close of the Napoleonic wars, when it was abolished, but was restored again in 1842, by Sir ROBERT PEEL, and has since formed an important item in the revenue of Great Britain, ranging from five pence to eleven pence half-penny in the pound.

The restoration of this tax was strenuously opposed, even by those whose liberal and just views on other subjects should have led them to hail with satisfaction a mode of taxation so equitable and proper. No tax is now, probably, more firmly established in Great Britain, or more generally acquiesced in. It produces no distress among the laboring classes, or any where else; and if every man's income, in whatever way derived, whether from his labor, his profession, his office, or his capital, could be fairly and fully ascertained, no excuse would exist for any other tax. It is inperfect accordance with that fundamental principle laid down by ADAM SMITH nearly a century ago, and accepted as true by all economists since his day, that "the subjects of every State ought to contribute towards the support of the Government as nearly as possible in proportion to their respective abilities—that is, in proportion to the *revenue* they respectively enjoy under the protection of the State." The British Government raised from the income tax about $50,000,000 in 1862.

From this source we ought, and, if it be properly attended to and suitably managed, shall obtain a very considerable part of our national revenue. Our present rate of tax is three per cent on all incomes over $600 up to $10,000; all over that amount five per cent. It would be more just, as well as more effective, if a tax of three per cent were laid on all incomes from $600 to $5,000, and five per cent on all above $5,000. A very considerable increase of revenue would result from this change. The rate of taxation by this mode may be varied from year to year, according to the exigencies of the treasury, without such disturbances as arise from a change of custom-house duties.

WHAT IS WANTED.

In conclusion, we remark that, next to the raising of troops, the increase of the revenue is the most important subject that can engage the attention of Congress. Three hundred millions, *at the least*, should be brought into the treasury the present year. Unless this is done there is little encouragement to expect that the Government can meet its engagements and maintain its credit.

The resources of the nation are so well understood, and our rapidly increasing ability to maintain a heavy taxation so apparent, that no suspicion or doubt arises in that quarter. The great question with capitalists is, will Congress have the wisdom and courage to impose the taxes, and impose them at once? That is the point that needs to be settled, and until it is, the price of gold must remain very high, or continue to rise. The question at once set at rest, the sale of bonds will increase, the volume of currency will be reduced, prices will fall, and the interests of the nation will be secured.

The plea that we must raise no more taxes during the war than we can possibly avoid, on the ground that we are not so able to pay as we shall be in time of peace, or that it will make the Government unpopular to impose heavy taxation, is a great fallacy. *Now* is, of all others, the best time to establish heavy taxes. We are abundantly able to pay them, and shall submit to them more cheerfully than at any other time. When

the war is over it will be an excellent time to *reduce* taxation, but a very bad time to *increase* it. The experience of our own and all other countries has shown such to be the fact.

Nothing saved England, in her terrific conflict with France, but the energy and fearlessness of her Parliament in imposing taxation. No interest, no class was spared. Taxes were laid where and how they would be most productive, and she raised $350,000,000 when her ability was not half equal to ours to-day.

We have all the machinery necessary for collecting taxes, in every form, already created. The present Congress has nothing to do but make it effective.

The whole system of custom-house duties, direct and excise taxes, should receive a careful and thorough examination, and such changes be made at every point as will increase our present revenue at least $100,000,000, and if more, so much the better. There is no difficulty in doing this, and no good reason why it should not be done as speedily as possible. Let the recommendation of the Secretary be promptly complied with.

To close the war we must have more men and more money; the more we have of both, and the sooner we get them, the better. Hesitation and delay are bad economy; they will cause a shocking waste of life and treasure. The war should be closed the present year without peradventure. If it be not, the blame must rest upon our Government in its legislative and executive departments. Let the President demand all the men and means required for the immediate close of the great struggle; let the people respond, *as they will*, in all their manhood and strength, and another Christmas will find the stars and stripes of the old Union floating proudly over the whole area of the Republic.

TOBACCO DUTIES AND TAXATION.

THE TRADE IN AMERICA AND EUROPE.

The war in this country, as has been the case in all others, brings with it the great question of taxation; and the science, heretofore so much neglected and even scoffed at as one of the necessities only of military despotisms, has suddenly become an engrossing topic. Hitherto, our Government has amply supplied its wants by its duties on imports, and has, therefore, reposed securely upon its custom revenues voted, for unlimited terms of years, undisturbed even by the struggle of high and low tariff parties, since the necessity of revenue was admitted by both. That time has passed, and the most sanguine cannot now hope to meet the amount of the annual interest due by the Government, from the customs. All are therefore praying for taxation, while the Treasury, like a vast upas tree, is putting forth its necessary shoots in every direction, seeking support wherever it can find it, and the whole course of the national trade and industry must necessarily be disturbed in the process of organizing a system of taxation by the lights of experience. Under these circumstances, it is natural, that when the Treasury reaches out its hand to touch

an interest, it is immediately repelled by that interest or by the fear of unpopularity. No one objects to the money flowing out of the Treasury, but each interest has reasons to show why it should not flow into it from its resources. The census shows twelve thousand millions of property in the country, and the Secretary of the Treasury timidly proposed, with many apologies and objurgations, to tax it twenty millions, to meet a prospective expenditure of one thousand millions. The law was passed, never enforced, and repealed in six months. The question now is one of indirect taxation, to get money from people without their knowing it or feeling it, and spirits and tobacco are the first marked for taxes. The former is instantly monopolized by persons who expect the price to rise, under the tax. But tobacco is less susceptible, and decided opposition is made to the tax. How, then, can this staple be taxed, if at all, in the least objectionable manner. Money, we should remember, must be raised to meet the wants of the Government, but yet it should be done in a lawful manner, and, more than that, care should be used in laying the tax, not to destroy or injure the trade.

And, first in this examination, we should remember that tobacco is a staple export. The question, therefore, arises at the outset, whether, under the Constitution, it can be taxed at all. The Constitution says, "No tax or duty shall be laid on articles exported from any State."—(Sec. 9, Art. 1.) Now, as cotton and tobacco are articles exported from many States, can they be taxed? The clause does not say no export duty shall be laid, but "no tax or duty on any article exported." The object of the prohibition was evidently to prevent injury to the export trade, and tobacco, when the Constitution was adopted, was the chief export staple of the country. In fact, the average export in quantity is less now than before the Revolution. Still, the principle is the same, and we think all must agree that, under the foregoing provision of the Constitution, *no tax can be levied that interferes with or injures the export trade of tobacco.* Any tax that had that effect would not only violate the *letter*, but the *spirit*, of the Constitution.

Nor is it for the interest of the Government to injure this trade; in fact, it is clearly its interest to build it up. Tobacco is, and always has been, a source of wealth to the United States, and yet the world is by no means dependent upon us for its supply. Let such a tax once be laid as will raise the price so high that it can be produced cheaper elsewhere, and of course the export trade is dead. This effect could be obviated by allowing a drawback to the amount of the tax, in case of export. Any other form of taxation on unmanufactured tobacco must act injuriously. Do not let us expect to raise revenue in a way that will cut off the foreign demand, and thus discourage production.

We propose to give a brief history of the commencement and progress of the cultivation of, and trade in, tobacco; to show not only how it has progressed, but to exhibit at a glance its origin, growth, and perfection, at least so far as regards foreign trade. All these facts will be of especial interest at the present time, and will help us in reaching correct conclusions on the question of taxing this staple.

When Sir Walter Raleigh introduced tobacco into England, from the colonies of America, the part it was to play in the world's history could not then have been surmised. Toward the middle of the sixteenth century, M. Nicot, embassador of France to Portugal, presented to Cath-

REINE DE MEDICIS the plant to which his name has remained attached, and the uses of it have from that time to the present been extending themselves in the double ratio of greater numbers of the people and a greater spread of the habit of using tobacco, although it has encountered the greatest opposition from governments and writers, from "King Jamie" down, as well as the most onerous burdens in the shape of taxation. The chief, if not the only, sources, whence to obtain it, were the American Colonies, and it was to them what gold is now to the Pacific coast.

In the early accounts of the plant, we find a letter of the Governor and Council of Virginia, dated James' City, January 20, 1622, which says, "that there was not above 60,000 lbs. made in the Colony;" but in 1639, only seventeen years afterwards, the Grand Assembly passed a law which recites that, "Whereas, the excessive quantity of tobacco of late years planted in the Colony has debased the quality," and enacts "that all the tobacco planted this present year, and the two succeeding years, in the Colony of Virginia, be absolutely destroyed and burned, excepting and reserving so much in equal proportion to each planter, as shall make in the whole the just quantity of 120,000 pounds of tobacco, stripped and smoothed," etc. In consideration whereof, the creditors of the planters were compelled to "accept and receive 40 lbs. of tobacco, so stripped and smoothed, in full satisfaction of every 100 lbs. now due them." It is not important to ascertain whether this law was re enacted at the end of the three years named in it, for we find in an official report to the commissioners, that the yearly exports of tobacco for ten years ending in 1709 were 28,858,666 lbs., of which 11,260,659 lbs. were annually consumed in Great Britain, and 17,598,007 lbs. in other countries of Europe. In 1744–5–6 the average annual expertation was 40,000,000 lbs., of which 7,000,000 lbs. were consumed in Great Britain, and 33,000,000 lbs. in other European countries. The annual average of exportation from 1763 to 1770, both inclusive, was 66,780 hhds., of about 1,000 lbs. each, or 67,780,000 lbs. As we have now approached the period when the exportation of tobacco arrived at a point from which it has vibrated (sometimes a little above or below it), we subjoin a statement of the exportation for the years 1772–3–4–5, inclusive, which will furnish the remarkable fact that (compared with any succeeding four years since that period) the annual exportation of tobacco just before the Revolution was about the same that it has been at any time since, prior to 1840, in our most prosperous periods. For although 1790–1–2 were three years of very heavy exportation, they fell off in 1793 nearly one-half, making the annual average exportation not materially different from 1772–3–4–5.

QUANTITY OF TOBACCO EXPORTED FROM THE UNITED COLONIES FROM 1772 TO 1775, INCLUSIVE.

	Total exported.	Great Britain.	Other countries of Europe.
1772.....lbs.	97,799,263	97,791,805	7,458
1773.....	100,472,007	3,695,564	96,776,443
1774.....	97,397,252	18,698,337	78,676,915
1775.....	101,828,617	27,623,451	74,205,166
Total.....	397,497,139	147,809,157	249,665,982

Total exportation for the four years, 397,497,139 lbs., or an annual average of 99,374,785 lbs. This brings up to the period of the Revolution. The following will exhibit the exportation of the article during that period:

QUANTITY OF TOBACCO EXPORTED FROM THE UNITED COLONIES FROM 1776 TO 1782, INCLUSIVE.

	Total exported.	Great Britain.	Other countries of Europe.
1776.....lbs.	14,498,500	.....*	14,498,500
1777.....	2,441,214	.....†	2,441,214
1778.....	11,961,533	6,520,550	4,440,783
1779.....	17,155,907	10,982,899	6,173,008
1780.....	17,424,967	11,474,791	5,950,176
1781.....	13,339,168	7,600,296	5,738,872
1782.....	9,828,244	6,364,813	3,463,431
Total.....	86,649,533	43,943,349	42,705,984

Total exportation for the seven years, 86,649,533 lbs., or an annual average of 12,378,504 lbs. Of the total seven years' exportation, about 33,974,949 lbs. were captured by the British during the war.

The following table exhibits the exports of tobacco from the United States, for the years 1787–8–9, immediately preceding the adoption of the present Constitution:

QUANTITY OF TOBACCO EXPORTED FROM THE UNITED STATES FROM 1787 TO 1789, INCLUSIVE.

	Total exported.	Great Britain.	Other countries in Europe.
1787.....lbs.	90,041,000	45,379,795	44,661,205
1788.....	88,595,000	39,600,404	48,995,186
1789.....	88,675,000	48,831,232	39,843,768
Total.....	267,311,000	133,811,431	133,500,159

Total exportation for the three years, 267,311,000 lbs., or an annual average of 89,103,666 lbs.

The holding back of the American crop causes a general rise in the price of tobacco, and by so doing imparts a stimulus to production everywhere, with, however, some hesitation, because it cannot be relied on with confidence as permanent. A regular war tax once imposed on the article settles that question, and the culture would be prosecuted with energy everywhere.

The following statement furnishes, at one view, the exports of leaf and manufactured tobacco and snuff, from 1790 to 1861, inclusive:

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* This year Great Britain exported to the Continent nearly 26,000,000 lbs. of old stock.

† Great Britain exported this year to the Continent 6,000,000 lbs. of former stock.

	Hhds. leaf tobacco.	Price per lb.	Total value.	Manufactured tobacco, lbs.	Snuff, lbs.	Value manf'd and snuff.
1790..	118,460			.....		
1791..	101,272			81,122		
1792..	112,428			117,874		
1793*.	59,947			137,784		
1794..	72,958			19,370		
1795..	61,050			20,263		
1796..	69,018			29,181		
1797..	58,167			12,805		
1798..	68,567			142,269		
1799..	96,070			406,076		
1800..	78,686			457,713		
1801..	103,758	Average price per pound not ascertained.	Total value of leaf tobacco unascertained.	472,282	Snuff and manufactured tobacco included.	Value unascertained.
1802..	77,721	6¼	$6,220,000	233,591		
1803..	86,291	6	6,230,000	152,415		
1804..	83,341	5⅞	6,000,000	298,139		
1805..	71,251	7⅜	6,341,000	428,460		
1806..	83,186	6¼	6,572,000	381,733		
1807†..	62,236	7⅛	5,476,000	274,952		
1808‡..	9,576	7½	838,000	36,332		
1809..	53,921	5⅞	3,774,000	350,835		
1810‖.	84,134	5	5,048,000	529,285		
1811..	35,828	5	2,150,000	752,553		
1812§.	26,094	3	1,514,000	588,618		
1813..	5,314	5	319,000	283,512		
1814..	3,125	6¼	232,000	79,377		
1815..	85,337	8	8,235,000	1,034,045		
1816..	69,241	15½	12,809,000	576,246		
1817..	62,365	12⅛	9,230,000	1,115,874	5,080	$281,509
1818..	84,337	10	10,241,341	1,486,240	5,513	373,875
1819..	69,427	10½	8,874,167	926,833	13,710	237,192
1820..	83,940	8	8,188,188	593,358	4,996	149,589
1821..	66,858	7¼	5,798,045	1,332,949	44,552	149,083
1822..	83,169	6⅛	6,380,020	1,414,424	44,602	157,182
1823..	99,009	5⅜	6,437,627	1,987,507	36,684	154,955
1824..	77,883	5½	5,059,355	2,477,990	45,174	203,789
1825¶.	75,984	6⅞	5,287,976	1,871,368	53,920	172,353
1826..	64,098	6⅞	5,347,208	2,179 774	61,801	210,134
1827..	100,025	5⅞	6,816,146	2,730,255	45,812	239,024
1828..	96,278	4⅞	5,480,707	2,637,411	35,655	210,747
1829..	77,131	5⅛	5,185,370	2,619,399	15,509	202,396
1830..	83,810	5½	5,833,112	3,199,151	29,425	246,747
1831..	86,718	4⅞	4,892,388	3,639,856	27,967	292,475
1832..	106,806	4⅞	5,999,769	3,456,071	31,175	295,771
1833..	83,153	5⅛	5,755,968	3,790,310	13,453	288,073
1834..	86,979	6¼	6,595,305	3,956,579	57,826	328,409
1835..	94,353	7¼	8,250,577	3,817,854	36,471	357,611

* French Revolution.
† Berlin and Milan Decrees.
‡ Embargo.
‖ Regie in France decreed.
§ War with Great Britain.
¶ Duty in England lowered from 4s. to 3s. per lb.

	Hhds. leaf tobacco.	Price per lb.	Total value.	Manufactured tobacco, lbs.	Snuff, lbs.	Value manf'd and snuff.
1836..	109,442	7¼	10,058,640	3,246,675	46,018	435,464
1837..	100,232	4⅞	5,765,647	3,615,591	40,883	427,836
1838..	100,593	6⅛	7,392,029	5,008,147	75,083	577,420
1839..	78,995	10⅜	9,832,943	4,214,943	42,467	616,212
1840..	119,484	6¾	9,883,657	6,787,165	37,132	813,671
1841..	147,828	7	12,576,703	7,503,644	68,553	873,877
1842..	158,710	4⅛	9,540,755	4,434,214	42,668	525,490
1843..	94,454	4⅛	4,650,979	3,404,252	20,455	278,819
1844..	163,042	4⅜	8,397,255	6,046,878	28,668	536,600
1845..	147,168	4¼	7,469,819	5,312,971	44,399	538,498
1846..	147,998	4⅝	8,478,270	6,854,856	52,458	695,914
1847..	135,762	4½	7,242,086	7,844,592	37,051	658,950
1848..	130,665	4⅝	7,551,122	6,698,507	36,192	568,950
1849..	101,521	4⅛	5,840,247	7,159,397	49,888	613,044
1850..	145,729	5⅝	9,951,023	5,918,583	44,690	648,832
1851..	95,945	8	9,219,251	7,235,358	37,422	1,143,547
1852..	137,097	6½	10,031,283	8,436,153	38,475	1,317,622
1853..	159,853	5⅞	11,319,319	10,561,692	39,641	1,671,500
1854..	126,107	6½	10,016,046	10,273,152	36,287	1,550,327
1855..	150,213	8⅛	14,712,468	.....	.....	.....
1856..	116,962	8¼	12,221,843	10,008,606	86,055	1,829,207
1857..	156,848	11	20,662,772	7,456,666	50,401	1,458,553
1858..	127,670	11½	17,009,767	11,210,574	37,245	2,410,224
1859..	198,846	9	21,074,038	14,912,811	239,148	3,334,401
1860..	167,274	7½	15,906,547	17,697,309	39,923	3,384,328
1861..	160,816	7	13,784,710	14,703,363	.....	2,742,828

Thus we see the course of this trade with the United States. Tobacco was not long in attracting the attention of governments, as an object eminently capable of yielding revenue, and it has been uniformly treated in an exceptional manner. The monopoly of the sale of tobacco was first attempted by CHARLES I., in 1625. That royal system was abolished by CROMWELL, who made the trade free, but imposed heavy duties on it. The use of the "weed" spread, however, in Europe, and Venice made traffic in it a government monopoly, in 1657. Portugal adopted the plan in 1664; France, in 1674; Spain, in 1730; Tuscany, in 1737; Austria, in 1670. At the present day, thirteen countries enjoy a government monopoly in the sale of tobacco, as follows:

	Population.		Population.
Austria.....	38,405,000	Portugal.....	3,917,410
France.....	37,472,732	Tuscany.....	1,816,000
Spain.....	16,560,813	Modena.....	586,000
Sicily.....	8,500,000	Parma.....	508,000
Sardinia.....	5,020,000	San Marino.....	7,000
Poland.....	4,860,000	Lichtenstein.....	6,000
Papal States.....	3,700,000		
Total population.....			121,338,965
Remaining States.....			161,470,436
Total Europe.....			282,809,401

Thus forty-three per cent of the population of Europe are supplied with tobacco by government monopoly, and the remainder get it subjected to immense taxes, direct and indirect.

In England, early in the present century, the tax was 1s. 7½d. sterling per pound, or 39 cents, something near eight times its cost. The consumption per head, at that time, was sixteen ounces per annum of the whole population; consequently, the tax was about forty cents to each person. The exigencies of the war caused the tax to be raised to four shillings per pound, or ninety-six cents, and the consumption declined to twelve ounces per head, or twenty-five per cent. In 1825, the tax was reduced to three shillings per pound, or seventy-two cents, and has since remained at that point, and the consumption has not quite recovered the figures for 1800.

The small quantities which each person uses, and the habit is so strong, that the article seems susceptible of a heavy tax. On the other hand, it is easily evaded, and the great expense incurred to prevent smuggling reduces the net revenue of the Government. The reduction of duties on other articles has favored the use of tobacco, even though that article pays the same. The British government has, however, always treated the article as one exclusively of revenue, because it does not enter into the cost of any fabricated articles. It is important to bear in mind that, in this view, they have prohibited the growth of tobacco in the British Islands. They compel all used to pass through the Custom House, and pay the high tax.

The policy on the Continent has been different, but with the same view, viz., to extract the largest amount of revenue from the use of tobacco. For this purpose, the governments of France, Austria, Spain, etc., take the whole trade into their own hands. They buy all, manufacture all, and sell all. They encourage and even compel in some cases, and restrain in others, the growth of the article, and fix their own prices. This system, as perfected in France in 1812, is briefly this: The tobacco administrators buy the tobacco necessary for the annual consumption, and it is turned into ten great factories at Havre, Morlair, Bordeaux, Tonneins, Toulouse, Marseilles, Lyons, Strasburg, Lille, Paris. In these warehouses the tobacco is prepared. It is not much used for mastication, but mostly in the form of snuff and for smoking. When prepared, it is distributed in three hundred and fifty-seven warehouses, one in each chief city. It is here under the charge of the administration of indirect taxes. They deliver the tobacco to *debitants*, or retailers, of whom there are 33,359 nominated by the commissioners of indirect taxes. These retailers sell at a fixed price, and pay at a fixed less price; the difference is their profits. The tobacco chiefly sold is called "ordinary," but it has a high reputation, for the reason that it is made of a regulated mixture of different crops in such a manner that the aroma substance of all is combined in a quality that never varies. A lower quality is called *cantine*, and is sold at a reduced price, but only on the frontiers. The reason of this is, that the frontiers being exposed to smuggling, the government does not trust to official detection, but makes and sells an article so cheap as to defy competition, on the outskirts of the kingdom. The superior class of tobacco, choice cigars, etc., is called foreign, and is sold mostly in Paris. When, under NAPOLEON in 1812, this system was consolidated by decree establishing the Regie, Europe had suffered for the want of

tobacco under the English blockade, and he had offered rewards unsuccessfully for the discovery of substitutes. The effect was, however, to introduce the culture, which has spread remarkably of late years throughout Europe. France has, however, never been able to do without American tobacco. The proportion in which it uses it, as well as the operations of the Regie, for a single year, is seen in the following table:

TOBACCO BOUGHT BY THE REGIE.

	Pounds.	Price.	Amount.
French	33,701,630	6¾	$2,274,859
European	8,905,550	8⅞	791,431
American	43,673,539	9	3,924,635
Cigars (Havre)*	334,239	2.25	730,125
Manifest	10,978	6	6,765
Seized	221,195	9½	25,002
Total	86,847,131	9	$7,752,756
Cost of transportation, etc.			2,408,722
Total			$10,161,478

The sales of tobacco, in the same time, were as follows:

	Pounds.	Value.
Purchased	86,847,131	$10,161,478
Sold	53,966,204	28,589,255
Profit	32,880,927	$18,427,777

Thus the profit was $18,427,777, and a stock of tobacco worth, at cost, $3,810,000. The quantity remaining in warehouses, at the end of the year, was 144,883,576 pounds, valued at $15,005,644, or about equal in quantity to three years' sales. It appears, from this return, that the American tobacco costs about the same as the "European," which is of Hungarian growth and of nearly the same quality as the Kentucky tobacco. The stock left in warehouse is about two years' consumption, and the French Government has been in the habit of issuing contracts, every two years, for American supplies, mostly at New Orleans.

The Austrian monopoly began in 1670 in the imperial States, and continued with a constantly increasing consumption of the article down to November 29, 1850, when, by imperial decree, the monopoly was extended over Hungary, and since over all the Austrian possessions. The tobacco administrator buys all the tobacco and permits the cultivation only in certain places and in certain quantities—prescribing every year according to the wants of business. In Hungary and Galicia a certain number of acres is permitted in tobacco every year; in the Tyrol a certain number of plants only. The Galicia tobacco proper is the basis of the famous snuff much in use. The seeds of Hungary, Virginia, Ohio, and Pennsylvania are introduced every year and succeed well, and great care is taken

* 37,981,835 cigars at $18.50 per thousand.

to promote the culture of good tobacco. The quantities raised for a period of six years were as follows:

	Pounds.	Florins.
South Tyrol	2,170,937	372,680
Galicia	40,692,600	3,214,623
Hungary	288,534,487	21,352,014
Crotia and Sclavonia	7,136,700	458,041
Transylvania	6 268,600	653,057
Total	344,793,324	26,050,415
Per annum	57,797,220	4,341,736

The consumption for the six years was 469,686,437 pounds, or 1.58 pounds per head per annum. The consumption goes on increasing with great rapidity, and the export of Austrian tobacco is very considerable. The Government price is less than half the French price.

Throughout Germany, where tobacco is exposed to a heavy tax and the manufacture is not regulated by the Government, the article is adulterated to an immense extent. So extensively has this been carried on that the returns in the State Department at Washington show that German tobacco was imported into the United States and re-exported in the shape of cigars to Germany. Thus it was discovered that the German tobacco was largely composed of beet and turnip leaves. Cigars of this novel tobacco are largely imported into the United States. Belgium, Holland, and the Zollverein are the large consumers of this sham tobacco, and it interferes greatly with the extension of the genuine article.

We have prepared the following table, the first part of which will show at a glance the production and consumption of tobacco in Europe, together with the imports and exports of each country, etc., and the other is a statement of the annual revenue of each of the European countries from this staple:

PRODUCTION AND CONSUMPTION OF TOBACCO IN EUROPE.

	Production.	Import.	Export.	Consumption.	Per head.
Austria.....lbs.	45,000,000	39,062,400	8,151,800	76,710,600	1.92
France	80,000,000	23,262,324	300,000	52,962,324	1.49
Russia	25,000,000	6,332,040	967,860	30,364,180	0.59
Spain	.....	23,003,543	15,728	25,487,815	1.41
Portugal	5,000,000	2,000,000	10,000	4,990,000	1.41
Sardinia	378,000				
Tuscany	1,289,000	9,804,500	176,500	12,420,000	0.90
Sicilies	1,125,000				
Papal States	1,289,100	3,270,897	451,519	4,108,478	1.34
Zollverein	58,885,339	44,292,600	23,596,000	79,501,539	2.43
England	.....	42,299,721	13,204,264	35,614,985	1.30
Holland	6,600,000	13,400,000	6,000,000	14,000,000	4.00
Belgium	2,665,548	12,368,676	350,036	14,684,188	2.75
Switzerland	1,200,000	8,220,620	193,860	9,226,760	3.65
Sweden & Norway	147,240	6,044,691	191,931	6,000,000	1.50
Denmark	250.000	8,592,445	3,600,000	5,245,242	3.50
Turkey	43,000,000	10,000,000	1,500,000	50,000,000	....
Greece	5,500,000	100,860	1,106,614	4,465,246	3.90
Total	228,049,427	254,004,557	58,206,794	396,847,250	

TOBACCO REVENUE IN EUROPE.

	Import duties.	Monopoly revenue.		Import duties.	Monopoly revenue.
Austria.....	$14,382	$10,325,898	England.....	$26,267,460	.....
France.....	7,153	23,495,334	Holland.....	186,768	.....
Russia.....	945,078	2,383,109	Belgium.....	102,152	.....
Spain.....	18,000	3,525,000	Switzerland....	76,405	.....
Portugal.....	127,558	1,465,254	Sweden & Nor..	230,000	.....
Sardinia....		2,589,273	Denmark.....	77,376	.....
Tuscany	3,400	435,660	Turkey	8,500	.....
Sicilies.....		836,942	Greece.....	2,036	.....
Papal States...	.....	1,876,110			
Zollverein.....	1,626,570	.....	Total.....	$29,792 579	$46,902,521

	State monopoly.	No monopoly.	Total.
Population	166,216,862	116,355,950	282,572,632
Production.....lbs.	109,881,100	91,168,327	201,049,427
Net import.....	97,162,297	98,635,526	195,797,823
Consumption.....	207,043,397	189,803,853	396,847,250
" per head	1.24	1.63	1.40
Revenues	$48,018,093	$28,676,967	$76,695,060
" per head.....	29 cents.	24 cents.	27 cents.

From the above we see that the average consumption of tobacco in Europe is 1½ pounds per head, or 424,200,000 pounds, and of this there has been supplied from the United States 160,000,000 pounds per annum, leaving 264,000,000 pounds derived from other countries and from European production. We have then the fact that, during the present century, while American tobacco has been produced free of tax and at a very low price, the quantity exported has not increased and the price not advanced, and further, that the whole increased demand in Europe has been supplied at home. Thus, the growth of three States is as follows:

	Okes.	Pounds.
Turkey.....	14,610,000	43,830,000
Austria	.....	57,797,220
France.....	.....	33,700,000

The aggregate production of tobacco in the empire of Turkey is about 14,610,000 oke, of about 3 pounds each, or 43,830,000 pounds. This production has various qualities and destinations, according to provinces in which it is grown. Macedonia and Thessaly, and the northern portions of Anatolia, are the principal places of production. The neighborhoods of Karissa and Armyra, in Thessaly, raise about 2,000,000 oke, or 6,000,000 pounds annually; of this quantity about 800,000 oke are consumed on the spot, and the remainder seeks a market in Greece and Europe through the port of Valo. The price ranges from three to five piastres the oke. The piastre is about 4 @ 5c.; the value is therefore 4 @ 7c. per pound. In Macedonia about 3,200,000 oke, or about 9,600,000 lbs., are raised per annum of this quantity—300,000 oke goes to Russia, Austria, and the Donau region. The largest portion, however, finds a market in Constantinople. The local prices of this favorite description ranges from 20 @ 50 piastres, or 27 @ 70 cts. per pound. On the other hand, the tobacco from the districts of Kavale, Pravista, and Drama, which finds a market almost altogether in Europe, bears a price of not more than 13 cts. per pound. Of the 3,000,000 oke which these districts raise, 600,000

oke goes to France, as much more to Austria and England, and the remainder to Turkey and Egypt. The total export of the port of Salonica, in 1857, reached 480,000 oke, in 12,000 bales, of 160,000 lbs. each. The yearly crop of Anatolia is 4,200,000 oke, or 12,600,000 pounds; about 1,200,000 oke is consumed in the province, and the balance is exported from Jamsun. The price ranges from $3 20 @ $4 80 the batmar of 6 oke, or 18 lbs., for the first quality, and $2 00 @ $2 80 for the second quality. Finally, in Satakiek in Syria, the tobacco most highly prized by the Turks is raised to the extent of 700,000 oke first quality, and 600,000 oke second quality.

The low prices of the wine crop for some years in Germany induced many large vinyards to be turned to tobacco fields. The result was lower prices for tobacco and higher prices for wine.

In the United States the growth of tobacco, as appears by the official returns, has been as follows:

UNITED STATES TOBACCO GROWTH.

	1840.	1850.	1860.
Alabama .....lbs.	273,302	164,990	221,284
Arkansas	184,439	218,936	999,757
California	.....	1,000	3,150
Connecticut	471,657	1,267,624	6,000,133
Delaware.....	272	.....	9,699
Florida	75,274	998,614	758,915
Georgia	162,894	423,924	919,316
Illinois.....	564,326	841,394	7,014,230
Indiana.....	1,820,306	1,044,620	7,246,132
Iowa.....	8,076	6,041	312,919
Kansas	.....	.....	16,978
Kentucky.....	53,436,909	55,501,196	108,102,433
Louisiana.....	119,824	26,878	40,610
Maine.....	30	.....	1,583
Maryland	24,816,012	21,407,497	38,410,965
Massachusetts.....	64,955	138,246	3,233,198
Michigan	1,602	1,245	120,621
Minnesota.....	.....	.....	38,510
Mississippi	83,471	49,960	127,736
Missouri	9,067,913	17,113,784	25 086,196
New Hampshire.....	115	50	21,281
New Jersey	1,92 :	310	149,485
New York	744	83,189	5,764,582
North Carolina.....	16,772,359	11,984,786	32,853,250
Ohio	5,942,275	10,454,449	25,528,972
Oregon	.....	325	215
Pennsylvania	325,018	912,651	3,181,586
Rhode Island.....	317	.....	705
South Carolina.....	51,519	74,285	104,412
Tennessee.....	29,550,432	20,148,932	38,931,277
Texas	.....	66,897	98,016
Vermont.....	585	.....	12,153
Virginia	75,347,106	56,803,227	123,967,757
Wisconsin	115	1,268	87,595

	1850.	1850.	1860.
District of Columbia.....	55,550	7,800	15,200
New Mexico.....	.....	8,464	6,994
Total.....	219,163,319	199,752,582	429,886,950
Export.....lbs.	184,965,797	122,406,780	210,000,000

Of the growth of 1860 the disposition seems to be as follows:

Growth.....lbs.	.....	429,886,950
Export, leaf.....	192,979,200	
" manufactured.....	14,783,363	
		207,762,963
United States stock and use.....		221,623,987

Of the production of 1860, 160,000,000 pounds was in States now under confederate control, and the effect of that fact has been to raise prices of the article throughout this country and Europe. Where these supplies were delivered in the proportions, shows in the following table of exports for 1861:

EXPORT OF TOBACCO FROM UNITED STATES.

	Manufactured tobacco.		Tobacco, leaf.			
	Pounds.	Value.	Hhds.	Cases.	Bales.	Value.
Asiatic Russia.....	10,509	$1,702	10	....	40	$1,445
Swedish West Indies.....	.....	....	3	....	....	337
Denmark.....	5,845	1,169	....	....	....	.....
Danish West Indies.....	62,981	12,248	55	249	241	12,237
Hamburg.....	206,125	23,216	118	2,356	577	58,164
Bremen.....	94,071	11,548	51,610	11,975	5,448	3,409,276
Holland.....	143,950	15,707	35,479	510	136	1,780,930
Dutch West Indies.....	135,039	28,481	18	1	246	5,088
Dutch Guiana.....	6,942	590	45	....	17	5,137
Dutch East Indies	19,100	2,420	....	....	....	.....
Belgium.....	.....	....	5,327	5	2	327,097
England.....	1,750,559	219,755	30,680	553	683	4,503,398
Scotland.....	245,260	40,824	1,182	....	....	230,107
Ireland.....	.....	....	3,029	....	27	175,489
Gibraltar.....	410,279	56,281	1,962	213	106	176,232
Malta.....	284,725	32,756	1,130	145	23	96,613
Canada.....	2,435,520	683,875	1,265	434	5	50,469
Other Bri. N. A. Possessions	1,344,043	191,664	135	34	101	19,774
British West Indies.....	470,467	60,819	573	44	466	73,993
British Honduras	15,978	2,165	6	....	4	1,657
British Guiana	42,147	7,554	155	25	....	30,904
British Possess. in Africa..	303,597	45,438	358	....	59	37,299
British Australia.....	4,716,938	921,583	10	....	....	1,000
British East Indies	309,849	47,475	15	365	....	11,650
France on the Atlantic....	32,718	5,693	4,717	32	....	459,930
France on Mediterranean..	9,191	1,346	4,424	....	....	221,702
French N. A. Possessions..	89,703	12,382	....	....	2	30
French West Indies	31,900	2,554	611	23	....	66,307
French Guiana.....	.....	....	161	....	13	16,782
French Possess. in Africa..	13,100	1,350	1	....	....	230
Spain on the Atlantic.....	.....	....	1,864	....	....	176,270
Spain on the Mediterranean	.....	....	35	....	....	3,297
Canary Islands.....	17,732	1,559	50	....	1	9,819
Philippine Islands.....	1,558	390	....	....	....	.....
Cuba.....	201,744	28,903	...	....	....	.....
Porto Rico.....	90,826	9,081	118	104	20	16,393

	Manufactured tobacco.		Tobacco, leaf.			
	Pounds.	Value.	Hhds.	Cases.	Bales.	Value.
Portugal	271,863	23,469	819	....	....	$81,836
Cape de Verd Islands	1,600	427	10	....	5	2,600
Azores	16,485	2,284	.....	....	....	.....
Sardinia	.....	....	9,013	....	....	954,502
Tuscany	.....	....	1,792	....	....	161,319
Two Sicilies	165	33	50	....	64	5,955
Austria	.....	....	900	....	....	48,100
Austrian Possess. in Italy	.....	....	1,525	....	....	181,530
Turkey in Europe	9,863	859	....	....	....	.....
Turkey in Asia	25,100	1,780	70	2	....	4,450
Other ports in Africa	87,972	11,596	1,112	147	....	179,938
Hayti	62,395	7,239	66	1,127	4,935	74,184
San Domingo	8,128	1,289	....	....	59	670
Mexico	24,913	4,958	4	76	215	4,563
Central Republic	411	76	....	2	8	156
New Granada	46,383	8,552	15	10	4,365	44,116
Venezuela	35,116	5,965	155	4	126	21,702
Brazil	49,381	8,439	95	....	....	12,919
Uruguay	195,111	22,718	13	109	....	5,883
Buenos Ayres	217,274	24,691	30	200	....	5,309
Chili	28,863	3,802	1	30	1,456	14,392
Peru	14,151	2,082	....	....	....	.....
Sandwich Islands	42,168	7,593	....	10	....	260
Other Islands in the Pacific	19,333	4,125	....	5	....	65
Japan	2,606	661	....	....	....	.....
China	217,034	29,134	....	25	....	700
Whale Fisheries	2,712	528	....	....	....	.....
Total	14,783,363	2,742,828	160,816	18,815	19,450	13,784,710

From the foregoing review, we think it is clear that the proposed tax of 20 per cent on leaf tobacco would, if laid, kill the export trade and discourage production. We have seen that this important staple can be raised almost everywhere. Its cultivation is not confined, like cotton, to narrow limits. The foregoing table shows, and the past year has proved conclusively, that the European demand can be supplied independently of America, and if now 20 cents per pound duty is added to the American article, it will be simply giving a bounty of 20 cents to stimulate the production in Germany and England. The vine lands would at once be converted into tobacco fields, and Austria and Hungary would furnish Europe with the supply heretofore obtained from the United States. Take, for example, the purchases of the French Regie—86,000,000 pounds, at 9 cents—of which one half is from the United States. If what we have thus heretofore supplied now comes loaded with a 20-cent tax the cost would be 29 cents, a charge of $8,000,000 to the French treasury. It is clear that such an extra charge would at once find relief by stimulating production elsewhere. These new sources of supply must, in that case, soon become permanent, and the present northern growth of United States tobacco, amounting to 280,000,000 pounds, being excessive as a home stock, production would of necessity also be discouraged. The 70,000,000 pounds now grown in Ohio and Maryland for export would be lost, for these are qualities that compete with those which France can buy for 7 cents. Yet we think that Government can realize a large income by properly taxing tobacco. It is the home consumption we should tax. That would bear a heavy tax without materially decreasing the amount used and would also stimulate export if that remained untaxed.

THE SCHLESWIG-HOLSTEIN DIFFICULTY.

IS A GENERAL EUROPEAN WAR PROBABLE?

T. M. J.

EUROPE at present stands upon the brink of a precipice. Peace and war hang suspended in the balance, and it is impossible to say which will prove the heavier. As the subject of dispute has, from comparative insignificance, suddenly been raised to the very highest importance, it seems desirable to review the whole matter, and to lay before our readers a plain statement of this Schleswig-Holstein difficulty.

The duchy of Holstein has been a dependency of the Danish crown since the year 1489; not however as a component part of the monarchy. The king of Denmark ruled over this portion of his dominions under the title of duke; much in the same way as the Plantagenets, though independent kings over England, held their French provinces as fiefs of the French crown. The inhabitants, however, have always shown a desire for independence, and this desire has, more than once, exhibited itself in active hostility. In the year 1848 the two duchies of Schleswig and Holstein revolted against the Danish crown, and, being aided by friendly Germans, were enabled to maintain the contest till 1850. In July of that year the battle of Idstedt was fought, which, proving disastrous, reduced them to their former subjection. As the attempted revolution advocated the principle of constitutional self-government, it was obnoxious to the neighboring monarchs, and as the King of Denmark was an old man without male issue, it was considered a good opportunity for calling a Congress of the European powers, ostensibly with the view of settling the succession, but really in order to unite the two duchies more firmly to the Danish crown. This congress accordingly met in London, in May, 1852. England, France, (then under the Presidency of Napoleon,) Sweden, Norway, Russia, Prussia, Austria, and Denmark were represented, and the treaty, agreed to and signed by them, was afterwards acquiesced in by Hanover, Saxony, Wurtemburg, Electoral Hesse, Oldenburg, and most of the smaller German States; though Bavaria and some others refused concurrence. The result of this treaty was, that Prince CHRISTIAN was declared successor, and he was named in the treaty Prince CHRISTIAN of Schleswig-Holstien-Sonderburg-Glucksburg. Bavaria, with all the German powers that refused to sign, looked upon the Duchies as forming part of the Germanic confederation, and was unwilling to see them permanently united to Denmark. But all the great powers had agreed, and they of course could do nothing but submit. Prince CHRISTIAN, however, was not without a rival. FREDERICK, Duke of Augustenburg, had always claimed the title of the Duke of Schleswig-Holstein, and his claim was supported by the dissenting German powers. His father had sold his Schleswig estates to the King of Denmark for a fair compensation, in order that he might live in a manner becoming one of his high birth; and he promised that neither he nor any of his family should "undertake anything whereby the tranquility of his majesty's dominions might be disturbed, nor in any way to counteract the resolutions which his majesty might have taken or in future might take, in reference to the ar-

rangements of the succession, to all the lands now united under his majesty's sceptre, or to the eventual organization of his monarchy." This did very well as far as the Duke himself was concerned, but he could not bind his heirs, and his son was in no way prevented from renewing his claim, if he saw fit to do so. Indeed, it is urged that the Duke of Augustenberg did not receive the compensation until his lands had been forcibly taken from him, and that his promise merely regarded the successor to the Danish throne.

King FREDERICK VII. died at Copenhagen, November 15th, 1863. On the 16th CHRISTIAN was proclaimed king, with title of CHRISTIAN IX., and on the same day the young Duke of Augustenberg issued a proclamation, in which he called upon the Schleswig-Holsteiners to shake off the Danish yoke, and swore to stand by them and to preserve their constitutional freedom. Of course the Duke would be utterly powerless to maintain his claim alone and make his way against the whole power of Denmark, but his cause is the cause of the German people; and although their rulers may be desirous of peace, they seem to have been utterly unable to withstand the current of the popular will. Prussia and Austria, however, and many of the smaller German States were parties to the treaty, and they are therefore bound to uphold the claim of CHRISTIAN. But when principle and interest oppose each other, it does not require a prophet to foresee the result; nor does it require such an ingenious brain nor such a politically unscrupulous conscience as those possessed by Herr VON BISMARK to invent and adopt some line of policy which will throw the treaty to the winds. The wily German tells us that honor and good faith alike require that the treaty should be observed, but that the treaty is the last of a succession of treaties entered into between Germany and Denmark, and serves as a compensation for the promises made by the Danish monarch to the German Diet. He also states that Germany must be the judge whether these promises have been fulfilled, and he informs us that these are the opinions held by the cabinet of Vienna. Of course this is all talk. The treaty of London said nothing at all about any previous treaties. Austria and Prussia entered into it unconditionally. The engagements of which he speaks concern merely Denmark and Germany, while to the treaty of London almost all the European powers were parties. This serves, however, as an excuse for holding up the Duke of Augustenberg, and for trying to unite the Duchies to the Bund.

On the 24th of December a detachment of Saxon troops entered Holstein and occupied the city of Altona. Since that time the German troops have been advancing and the Danes retiring, till the whole of Holstein and a few villages in Schleswig have been entirely abandoned by the Danish troops, and occupied by the forces of the Diet. The Danish King, however, has fortified the town of Neuminister—a strong strategical position—and has erected new and powerful batteries. Here, with the little river Eider in his front, he has prepared for the coming of the Germans, and seems determined to defend himself by force. So the matter stands at present. Any steamer may bring us news of an engagement.

If this were the whole of the matter it would not be of much consequence, for Denmark would not be able to cope single-handed with Germany; but any little commotion in European politics could hardly fail to involve the great powers in a general war. Indeed, England has already protested against the proceedings of the German powers, and refuses to

permit any occupation of the Duchies by their troops. England is the mother of the treaty, and the meeting of the representatives took place in her capital. She is therefore in honor bound to uphold CHRISTIAN as the successor to the late King, and she has expressed her willingness to do so. Should war ensue, therefore, we may expect to see Denmark supported by the whole strength of Great Britain—by all her military and naval power. England and Denmark would then be arrayed against Germany, and in such a contest it would be impossible for the other powers to remain neutral. Could the French Emperor help taking part? Certainly, if he were drawn into the struggle it would be for Denmark, and not against her. He is a party to the treaty of 1852, and honor and good faith require that he should see it carried out. But honor and good faith are generally very poor arguments in favor of an expensive war. They are auxiliaries when they can be maintained on the side of interest. Interest is the grand motive power, and, if the interest of NAPOLEON is involved, no doubt his honor and good faith will be preserved. But is it his interest to go to war? If the war were a popular one, no doubt it would be. The constitutional opposition which has lately appeared in the Legislative Chamber is giving the Emperor a good deal of trouble. If he could drown the steadily increasing hum of discontent by engaging in a war which should advance the glory of the Empire and carry the tri-color to victory, then no doubt his enemies would be silenced, and his failures with regard to Mexico and the European congress would be forgotten. And if, moreover, his good faith should be rewarded by the much wished-for frontier on the Rhine, his lost prestige would be restored amid the excitement of national glory, and he would once more be *le grand homme*. No one can say that this would be; but an intellect inferior to that of the French Emperor might, if the contest were once engaged in, easily turn it to his own advantage.

Then, the King of Italy has an army, 300,000 strong, which is doing nothing. Why should he not make use of it, and, in the general tumult, endeavor to wrest Venetia from the grasp of Austria? His people are eager for the contest. If he should send his army into France, and take part with her in the struggle, or even if he attacked the Austrians in Italy, why could he not demand that his capital should be removed to Rome and, in case the issue of the contest were favorable, that Venetia should be united to his dominions? He would then reign over a united Italy, and that long divided and down-trodden country would at once take its stand, as a great power, upon the stage of European politics. Thus England, France, and Italy would probably assist Denmark, and if Hungary should seize the favorable opportunity to rise in arms against Austria and assert her independence, Germany would hardly be able to maintain the contest. Nor do we see, as the question stands at present, what power would be willing to aid her. It is true, when blood is once shed and the war really begun, that Russia might join the Diet and, with her tremendous power thrown into the other scale, render the contest more equal. But, as matters now stand, we see no reason why she should. She has no interest in upholding Austria, and can have nothing to fear from the increasing power of Italy. She may, it is true, object to any territorial aggrandizement of France; but would she go to war to prevent it? Her Poles appear to give her enough to do at present, without engaging in any foreign quarrel; and, moreover, she is a party to the treaty of Lon-

don, and would hardly feel inclined to break it without good reason. Still, so many complexities might arise from the struggle itself, that it is impossible to say how any power, at present uninterested, might act.

Before closing this subject, let us consider, briefly, how the contest would affect us. What would be the advantage or disadvantage to the United States, should a general European war ensue? In the first place, it would put to rest, at once and forever, the question of foreign intervention. The great European powers, engaged in a struggle among themselves, would have little inclination to meddle in our affairs. They would allow us to fight our quarrel out, to our hearts' content, without any thought of taking part. But the result would be otherwise advantageous. England would then be a belligerent, and any disposition on her part to destroy our commerce, under the rebel flag—as she has been doing—would be speedily checked by a retaliation upon her, under the flag of the Diet. No more Alabamas or Floridas would leave her ports on their errands of destruction, and, with no fresh supply of piratical cruisers, the ocean would soon be safe again for the peaceful merchantman. Again, should Russia be drawn into the contest, the great supply of breadstuffs would be immediately cut off, and the United States would find a ready market for its wheat and corn. The West would pour its cereal treasures into the European storehouses, and the trade of the country be benefited to just the extent of the increased demand.

Thus we see three ways in which a European war would prove favorable to us. It would cause all fear of foreign intervention to cease; it would stop the course of the rebel privateers; and, should Russia be drawn in, it would open a larger market for our crops.

But, although such an event would be beneficial, we could not but deprecate a war. We cannot shut our eyes to the great evils it would bring upon the poor and destitute of those countries which engage in it, and to the bereavements which it would beget. Whatever possible advantages might ensue to us, we cannot but hope that, for the sake of humanity, the European sovereigns will try every expedient, before they draw the unrelenting sword.

COMMERCIAL LAW. No. 10.

AGENCY.

HOW A PRINCIPAL IS AFFECTED BY THE ACTS OF HIS AGENT.

If an agent makes a fraudulent representation, a principal may be liable for resulting injury, although personally ignorant and innocent of the wrong; nor can he take any benefit therefrom. And even if, without actual fraud, he makes a false representation as to a matter peculiarly within the knowledge of himself or his principal, the principal cannot claim or hold any advantage therefrom; and the party dealing with the agent may rescind and annul the transaction, if he do so as soon as he has knowledge of the untruth; and may then recover back money paid or goods sold or delivered. But such representations will not affect the principal, unless they are made during and in the very course of that transaction.

Payment to an agent of money due to the principal binds the principal only when it is made to the agent in the course of business, and appropriated by the payer to a specific purpose, and the agent has authority to receive the money for that purpose, either by express authority, by usage, or by the reason of the case. Payment to a sub-agent appointed by the agent, but whose appointment is not authorized by the principal, binds the agent, and renders him liable to the principal for any loss of the money in the sub-agent's hands. Where a legacy was left to a tradesman, and the executors paid it to a shopman who was in the habit of receiving daily payments, this was held not a sufficient payment to discharge the executors. And, generally, a shopman authorized to receive money at the counter, or in any particular way, is not thereby authorized to receive it in any other place or in any other way. Nor is the principal bound, if the agent be authorized to receive the money, but, instead of actually receiving it, discharge a debt due from him to the payer, and then give a receipt as for money paid to his principal, unless it can be shown that he has special authority to receive payment in this way, or that such payment is justified by known usage.

In general, although a principal may be responsible for the deliberate fraud of his agent in the execution of his employment, he is not responsible for his *criminal* acts, unless he expressly commanded them. There is, however, a class of cases in which the principal has intrusted property to his agent, and the agent has used it illegally; and this act of the agent is evidence, which, if unexplained and unanswered, suffices to render the principal liable criminally, without proof of his direct participation in the act itself. The smuggling of goods, the issue of libelous publications, and the sale of intoxicating liquors, by agents, belong to this class.

MUTUAL RIGHTS AND DUTIES OF PRINCIPAL AND AGENT.

An agent cannot depart from his instructions without making himself liable to his principal for the consequences. In determining the purport or extent of his instructions, custom and usage in like cases will often have great influence; because, on the one hand, the agent is entitled to all the advantages which a known and established usage would give him; and, on the other, the principal has a right to expect that his agent will conduct himself according to such usage. But usage is never permitted to prevail over express instructions. A principal who accepts the benefits of an act done by his agent beyond or aside from his instructions, discharges the agent from responsibility therefor. And any unnecessary delay in renouncing the transaction, or any inclination to wait and make a profit out of it, is an acceptance of the act. But if the agent has bought goods for his principal without authority, the latter may renounce the purchase, and, nevertheless, hold the goods as security for his money, if that has been advanced on them.

In general, every agent is entitled to indemnity from his principal, when acting in obedience to his lawful orders, or when he, in conformity with his instructions, does an act which is not wrong in itself, and which he is induced by his principal to suppose right at that time.

An attorney or agent cannot appoint a sub-attorney or agent, unless authorized to do so expressly, or by a certain usage, or by the obvious reason and necessity of the case. Thus, a consignee or factor for the sale of mer-

chandise may employ a broker to sell, when this is the usual course of business. A sub-agent, appointed without such authority, is only the agent of the agent, and not of the principal; unless his appointment is in some way confirmed and ratified by the principal.

An agent is bound to use, in the affairs of his principal, all that care and skill which a reasonable man would use in his own. And he is also bound to the utmost good faith. Where, however, an agent acts gratuitously, without an agreement for compensation, or any legal right to compensation growing out of his services, less than an ordinary diligence is, in general, required of him, and he will not be held responsible for other than gross negligence. There are cases going to show that a gratuitous agent will not be held responsible for anything but positive fraud. Thus, in New York, a part-owner of a ship requested another part-owner to effect insurance for him, and the party applied to promised to effect insurance accordingly; and was again reminded of his promise, and again renewed his promise; but he neglected to cause the ship to be insured; and when it was lost without any insurance, and this promiser was sued by the party requesting him, the court held that he was not responsible, being only a gratuitous agent. If, however, a person holds himself out as exercising a certain trade or profession, and is employed therein, he will be considered as bound in law to have and exercise the skill and care requisite for the proper discharge of the duties of that profession, even if he was paid nothing. One reason is, that, although no money is paid or promised him, he is entitled to make a proper and customary charge to his employer, and this is a compensation. It is, however, undoubtedly a very general rule, that an agent who has no compensation, and does not begin his work, and has no property intrusted to him, is not liable for not doing what he undertakes to do. If he enters upon and actually begins his work, and then leaves it imperfectly or badly done, for this he may be made liable. A strictly gratuitous agent will be held responsible for property intrusted to him.

For any breach of duty, an agent is responsible for the whole injury thereby sustained by his principal; and, generally, a verdict against the principal for misconduct of the agent measures the claim of the principal against the agent. The loss must be capable of being made certain and definite; and then the agent is responsible, if it could not have happened but for his misconduct, although not immediately caused by it. Thus, where an insurance-broker was directed to effect insurance on goods "from Gibraltar to Dublin," and caused the policy to be made, "beginning from the lading of the goods on board," and they were laden on board at Malaga, and went thence to Gibraltar, and sailed for Dublin, and were lost on the voyage, so that the policy did not cover them, because not laden at Gibraltar, this was held to be gross negligence on his part, and he was held responsible for the value of the goods.

If any agent embezzles his employer's property, it is quite clear that the employer may reclaim it whenever and wherever he can distinctly trace and identify it. But if it be blended indistinguishably with the agent's own goods, and the agent die or become insolvent, the principal can claim only as a common creditor, as against other creditors; but as against the factor or agent himself, the whole seems to belong in law to the principal; because the factor or agent had no right thus to mix up the property of another with his own, and if he choses to do so, he must lose all of his own property that cannot be separated from that which is not his own.

An agent employed to sell property cannot buy it himself; nor, if employed to buy, can he buy of himself; unless expressly authorized to do so. Nor can a trustee purchase the property he holds in trust for another. But the other party may ratify and confirm such sale or purchase by his agent; and he will do this by accepting the proceeds and delaying any objection for a long time after the wrongful act is made known to him. And if a trustee or agent to sell property buys it not in his own name, but through somebody else, the sale is equally void; or indeed, according to some authorities, more certainly void, because such indirect action suggests a fraudulent purpose.

Among the obvious duties of all agents is that of keeping an exact account of their doings, and particularly of all pecuniary transactions. After a reasonable time has elapsed, the court will presume that such an account was rendered, accepted, and settled. Otherwise, every agent might always remain liable to be called upon for such account. Moreover, he is liable not only for the balances in his hands, but for interest; or even, where there has been a long delay to his own profit, he might be liable for compound interest, on the same ground on which it has been charged in analogous cases against executors, trustees, and guardians. No interest whatever would be charged, if such were the intention of the parties, or the effect of the bargain between them; and this intention may be inferred either from direct or circumstantial evidence—as the nature of the transaction, or the fact that the principal knew that the money lay useless in the agent's hands, and made no objection or claim.

Although, as we have seen, the revocation of authority is generally within the power of the principal, an agent ought not to suffer damage from acting under a revoked authority, if the revocation were wholly unknown to him without his fault. The general rule is, that a principal may revoke his agency, and an agent may throw up the agency, at pleasure. But neither would be permitted to exercise this power in an unfair and injurious manner, which circumstances do not require or justify, without being responsible to the other party for any damages caused by his wrongful act.

Insanity revokes authority, especially if legally ascertained. But if the principal, when sane, gave an authority to his agent, and a third party acts with the agent in the belief of his authority, but after the insanity of the principal has revoked it, the insanity not being known to this third party, it seems that this revocation will not be permitted to take effect to the injury of this third party.

FACTORS AND BROKERS.

All agents who sell goods for their principals, and guaranty the price, are said in Europe to act under a *del credere commission*. In this country this phrase is seldom used, nor is such guaranty usually given, except by commission merchants. And where such guaranty is given, the factor is so far a surety that his employers must first have recourse to the principal debtor. Still, his promise is not "a promise to pay the debt of another," within the Statute of Frauds. Nor does he guaranty the safe arrival of the money received by him in payment of the goods, and transmitted to his employer, but must use proper caution in sending it. If he takes a note from the purchaser, this note is his employer's; and if he takes depreciated or bad paper, he must make it good.

A broker or factor is bound to the care and skill properly belonging to the business which he undertakes, and is responsible for the want of it.

A factor intrusted with goods may pledge them for advances to his principal, or for advances to himself to the extent of his lien for charges and commissions. And his power to pledge them, which grows out of the law-merchant, has been much enlarged by statute in England and in many of our States.

The mere wishes or intimations of his employer bind him only so far as they are instructions; but although in the form of intimations or suggestions, if sufficiently distinct, they have the force of instructions. Thus, in New York, a principal wrote to his factor, stating that he thought there was a short supply of the goods he had consigned, and giving facts on which his opinion was founded, and concluded, "I have thought it best for you to take my pork out of the market for the present, as thirty days will make an important change in the value of the article." This was considered by the court to be a distinct instruction, binding upon the factor; and he was therefore held liable for the loss caused by selling the pork within the thirty days.

All instructions the agent or factor must obey; but may still, as we have already stated, depart from their letter, if in good faith, and for the certain benefit of his employer, in an unforeseen exigency. Having possession of the goods, he may insure them; but is not bound to do so, nor even to advise insurance, unless requested, or unless a distinct usage makes this his duty. He has much discretion as to the time, terms, and manner of a sale, but must use this discretion in good faith. For a sale which is precipitated by him, without reason and injuriously, is void, as unauthorized. If he send goods to his principal without order, or contrary to his duty, the principal may return them, or, acting in good faith and for the benefit of the factor, may sell them as the factor's goods.

Although a factor charges no guaranty commission, he is liable to his principal for his own default; so he is if he sells on credit, and, when it expires, takes a note to himself; but if he takes at the time of the sale a negotiable note from a party in fair credit, and the note is afterwards dishonored, this is the loss of his employer, unless the factor has guarantied it.

If he sells the goods of many owners to one purchaser, taking a note for the whole to himself, and gets it discounted for his own use or accommodation, he is then liable without any guaranty for the payment of that note. So, if he gets discounted for his own use a note taken wholly for his principal's goods. But he may discount the note to reimburse himself for advances, without making himself liable. If he sends his own note for the price to his employer, he must pay it.

As a factor has possession of the goods, he may use his own name in all his transactions, even in suits at law; but a broker can buy, sell, receipt, etc., only in the name of his employer. So, a factor has a lien on the goods in his hands for his advances, his expenses, and his commissions, and for the balance of his general account. And the factor may sell from time to time enough to cover his advances, unless there be something in his employment or in his instructions from which it may be inferred that he had agreed not to do so. But a broker, having no possession, has no lien. The broker may act for both parties, and often does so. But, from the nature of his employment, a factor should act only for the party employing him.

A broker has no authority to receive payment for the goods he sells, un-

less that authority be given him, expressly or by implication. Nor will payment to a factor discharge a debtor who has received notice from the principal not to make such payment.

Generally, neither factor nor broker can claim their commissions until their whole service be performed, and in good faith and with proper skill, care and industry; and their negligence may be given in evidence either to lessen their compensation or commissions, or to bar them altogether. But if the service begins, and is interrupted wholly without their fault, they may claim a proportionate compensation. If either bargains to give his whole time to his employer, he will not be permitted to derive any compensation for services rendered to other persons. Nor can either have any valid claim against any one for illegal services, or those which violate morality or public policy.

A principal cannot revoke an authority given to a factor, after advances made by the factor, without repaying or securing the factor.

The distinction between a *foreign* and a *domestic* factor is quite important, as they have quite different rights, duties, and powers, by the law-merchant generally; although recent decisions in England have made this distinction less important than it once was. A domestic factor is one who is employed and acts in the same country with his principal. A foreign factor is one employed by a principal who lives in a different country; and a foreign factor is as to third parties—for most purposes and under most circumstances—a principal. Thus, they cannot sue the principal because they are supposed to contract with the factor alone, and on his credit, although the principal may sue them; and a foreign factor is personally liable, although he fully disclose his agency, and his principal is known.

This doctrine is not extended to cases where a contract for personal services is made in the country where the factor is doing business, by a person resident there, if the contract is to be performed or executed in the country where the principal resides. For, if such a contract be made in the name of the principal, he alone is responsible. Thus, if a man in New York employed a person in Massachusetts to hire a gardener for him on certain terms, and this was done, the gardener knowing the name and residence of the New York man, he must look to that man only for his wages, or for any advances to be made by him, or other agreements on his part, and not to the Massachusetts agent. One who deals with a domestic factor may sue the principal, unless it is shown that credit was given exclusively to the factor. And for the purpose of the distinction between foreign and domestic factors, and the rules founded upon it, we hold, on the weight of authority, that our States are foreign to each other.

Every factor is bound to reasonable care; and he is liable for a loss by fire, or robbery, or other accident, occurring without his default, if he had previously done some wrongful act, without which the property might have been safe. And this rule would apply even to a gratuitous agent. But he is not bound to insure against fire, unless by a bargain, or a usage.

COMMERCIAL CHRONICLE AND REVIEW.

FEDERAL FINANCES—LEGAL TENDERS—FIVE-TWENTY LOANS—NATIONAL BANKS—BANKING LAW—JAY COOKE'S CIRCULAR—DEMAND FOR MONEY—CONTROLLER'S INSTRUCTIONS—ABSORPTION OF CAPITAL—SPECIE MOVEMENT—STOCK OF GOLD—EXCHANGE—FOREIGN CAPITAL—UNITED STATES STOCKS.

THE first half of the month of January is not usually one of much business activity, and this year, although the importations have been large, there has been so much stringency in the money market, and so much anxiety in relation to the course of the finances, that the markets have been generally quiet. The course of the Federal Treasury has continued to attract much attention. The report of the Secretary of the Treasury was pretty generally received as indicative of a course of contraction upon the part of the Treasury, rather than as pointing the way to an increase of the paper inflation. It was very evident that a large amount of money is to be raised, and there were apparently but two ways of doing it; one was to go on with the issue of the five per cent legal tender notes, and the other to sell the remainder of five-twenty stock and then bring forward the $600,000,000 of 10-40 stock payable, principal and interest, in gold. These two alternatives were fraught with the widest possible consequences. The issue of the five per cent legal tenders would only be a continuance of the inflation and depreciation of the currency, while to issue the stock for what it would bring would force a severe contraction, and fall in prices, that might have a disastrous issue. The 5-20 stock continued to sell readily, and has been nearly all taken up by the public, the whole $500,000,000 having been negotiated and the loan closed on the 22d, after which some lots brought a small premium, while, at the same time, all the greenback legal tenders have been issued as follows:

Laws of July 1861, and February 1862—gold notes redeemed	$60,000,000
February, 1862	150,000,000
July 11, 1862—$50,000,000 reserve	150,000,000
January 17, 1863	100,000,000
March 3, 1863—additional	50,000,000
March 3, 1863—fractional notes	20,000,000
Total greenbacks	$470,000,000

There have also been issued $85,000,000 of five per cent legal tenders, embracing the $50,000,000 sold to the banks, and $35,000,000 one-year notes referred to in the circular of JAY COOKE, given below.

The continued subscriptions to the 5-20 loans, by drawing down the deposits of the banks, kept the rate of money high, and, by so doing, caused a continual demand upon the Treasury for the payment of the five per cent deposits, until they are exhausted. The $50,000,000 of legal tenders were not given to the banks until January, and some time elapsed before they were distributed among the institutions. They bear date from the 1st of December. Some of the

banks, on getting possession of the notes, loaned them at once at seven per cent interest, the borrower paying up the interest from December 1st, which amounted to five-eighths per cent. The money cost him, therefore, but 7⅜ per cent per annum, or rather less than to borrow in the open market. In fact, while the minimum rate of money is seven per cent, it is not to be expected that the five per cents will be taken to any extent for investment. Those who desire investment could buy the Government six per cent one-year certificates, payable in legal tenders in a few months, or convertible into 5-20's at 98 cents, or at the rate of eight per cent per annum. The five per cents, therefore, became currency, and the department stamped them with the date of issue and paid them out. These notes have by law the faculty of being redeemed in legal tender greenbacks, and $150,000,000 additional is authorized for that purpose. The continued issue of these notes to the whole extent authorized, $400,000,000, will add greatly to the inflation, and it is anticipated that the 10-40 stock will be brought forward for sale during the inflation. The peculiarity of that stock is, that the law authorizing it provides that it shall be paid, *principal* and interest, in gold, whereas the law authorizing the 5-20's provides only that the *interest* shall be in gold; and the banking law of the last session provides that all the debts of the Government, except interest, shall be payable in the notes of the new National Banks.* The number of new institutions organized is about two hundred and ten, and the number of notes ordered by them is $10,000,000. By the time the 5-20's fall due, three years hence, or April 1867, the number of those notes out may suffice to pay the stock. It is thus a curious fact that the national notes are secured in 5-20 stock, and the latter are made payable in the bank notes; the thing "secured" thus becomes the medium of paying the "security." The holder of the notes will get the stock, and when he has the stock he will get paid in the notes. Meantime, the five per cent legal tenders were received at the Treasury in payment of the 5-20's with a slight distinction. The subscriber who paid in legal tenders gets one-eighth per cent allowance, while he who paid in five per cent legal tenders paid par; and thus discriminating against the interest-bearing notes.

The wants of the Treasury were said to be supplied for some time, but this does not seem to have been the fact, because the following circular (referred to above,) from the Treasury agents, indicate the continued necessity of the department to borrow money:

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* The following is section 20th of the Banking Law (for copy of the whole law, see *Merchants' Magazine* for April, 1863):

SEC. 20. *And be it further enacted*, That after any such association shall have caused its promise to pay such notes on demand to be signed by the president, vice-president, and cashier thereof, in such manner as to make them obligatory promissory notes, payable on demand, at its places of business, such association is hereby authorized to issue and circulate the same as money; *and the same shall be received at par in all parts of the United States* in payment of taxes, excises, public lands, and all other dues to the United States, except for duties on imports, and also *for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on public debt;* and no such association shall issue post notes or any other note to circulate as money than such as are authorised by the foregoing provisions of this act.

OFFICE OF JAY COOKE, SUBSCRIPTION AGENT,
114 South Third Street,
PHILADELPHIA, *December 22d*, 1863.

On and after the 1st of January next, the Treasury Department will be prepared to furnish through this agency a constant supply of the new five per cent interest-bearing legal tender notes.

The notes will be furnished in the following proportions, viz: 1.10 of the whole amount (if so much is desired) in notes of the denomination of $10, $20, and $50, and 9.10 in denominations of $100, $500, and $1.000.

The notes under $100 will be without coupons, and payable in one year from January 1st, 1864, with interest at maturity.

The notes of $100 and upwards will have coupons payable semi-annually, and the principal redeemable in two years from 1st of January, 1864.

As only a limited amount of these very desirable issues can be furnished daily, those desiring them are requested to advise the undersigned by telegraph or letter as promptly as possible, as all orders will be filled consecutively as received.

These treasury notes will be furnished at par on receipt by the undersigned of the amount in Legal Tender notes or notes of National Banks, or drafts payable in Legal Tender notes on New York, Boston, Philadelphia, Baltimore, or Washington, or the amount can be deposited in any United States Sub-Treasury, on and after the 1st day of January next, in the following cities: Boston, New York, Philadelphia, Baltimore, Washington, Pittsburg, Cincinnati, Louisville, St. Louis, Chicago, St. Paul, and Buffalo, in accordance with the following formula:

Deposited by for JAY COOKE, subscription agent, to the credit of Treasurer of the United States on account of sales of interest-bearing Legal Tender notes.

In which case the interest-bearing notes will be entitled to draw interest from date of such deposit, provided I am notified by telegraph of time of such deposit. In all other cases interest will commence on the day the remittance reaches this agency, if on or after the 1st of January next.

As the Treasury notes will bear a uniform date, the difference of interest will be paid by the purchaser.

This mode of distribution is adopted for the time being, in order that those banks, bankers, capitalists, etc., to whom this circular will be sent, and who may have considerable sums of Legal Tender notes idle on their hands, may avail themselves of this opportunity of substituting the *interest-bearing* for the *non-interest-bearing* Legal Tenders.

The foregoing arrangement is not intended to interfere with the usual sales of 5-20 loan, and the amount to be thus disposed of will not exceed the sum of $35,000,000.

Respectfully,

JAY COOKE, *Subscription Agent.*

The demand for money towards the close of the month became less strong, while the causes which produced the demand in the last ninety days began to change. These were—1st, the demand for the use of the Western crops, usual at this season of the year when they are coming to market; 2d, the demand to invest in goods preparatory to the spring trade; and, 3d, the payment of the Government, which sent money to the army and to the interior. All these causes sent money from the city. With the opening of the spring business, they operated in a reverse sense. The crops came forward to be realized upon; the dealers having collected the money distributed by the troops and contractors, brought it forward to replenish their stocks of goods, and it again gradually became more plenty.

The operations of the new banks do not as yet affect the market for money.

About 210 have been organized, and their circulation is estimated in the Treasury returns for the year at $4,000,000.

The controller at Washington has issued instructions to the new banks, in which he speaks despondingly of the state of the circulation. He remarks as follows:

"The seeming prosperity of the loyal States is owing mainly to the large expenditures of the Government and the redundant currency which these expenditures seem to render necessary. Keep these facts constantly in mind, and manage the affairs of your respective banks with a perfect consciousness that the apparent prosperity of the country will prove to be unreal when the war closes, if not before."

The payments of the department at the West were largely in commissariat's and quartermaster's orders, which sold in the market at 2 a 6 per cent discount. These were taken up by the buyers and converted into 1-year certificates and money, under rules laid down by the Treasury Department as follows: Checks under $1,334 in cash; $1,334 to $2,666 in $1,000 certificates—balance in cash; $2,667 to $3,999 in $2,000 certificates—balance in cash; $4,000 to $5,333 in $3,000 certificates—balance in cash; $5,334 to $6.666 in $4,000 certificates—balance in cash; $6,667 to $7,999 in $5,000 certificates—balance cash; $8,000 to $9 333 in $6,000 certificates—balance in cash; $9,334 to $10,666 in $7,000 certificates—balance in cash; $10,667 to $11,999 in $8,000 certificates—balance in cash; $12,000 to $13.333 in $9,000 certificates—balance in cash; $14,667 to $15,999 in $11,000 certificates—balance in cash; $16,000 to $17,333 in $12,000 certificates—balance in cash; $17,334 to $18,666 in $13,000 certificates—balance in cash; $18,667 to $19,999 in $14,000 certificates—balance in cash; $20,000 to $21,333 in $15,000 certificates—balance in cash.

The certificates thus largely paid out for checks were sold in the New York market as low as 97¼. They, for the most part, are private investment of the banks, because they yield 8 a 8½ per cent interest and are payable in a few months in legal tender. The large investments in 5-20s had the effect, as will be seen in another page of this number, to reduce the deposits in bank, and the loans also, to an amount of nearly $60,000,000 from September to January. The five per cent deposit certificates and the five per cent legal tenders were to a considerable extent funded in the 5-20s, thus absorbing much capital. The wants of business were not large, however, since little business paper was created by its progress. The imports continued largely to exceed the exports, and the resulting balance was met by the exportation of specie, which has steadily risen in value. The movement of specie has been as follows:

SPECIE AND PRICE OF GOLD.

	1863.		1864.			
	Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
January 2.	.....	681,448	254 239	590,262	25,161,935	51¼ a 52
" 9.	1,277,788	726,746	.....	1,216,204	25,122,002	51¾ a 52
" 16.	.....	1,380,247	279,801	1,985,057	24,884,264	52¼ a 56¼
" 28.	678,841	780,817	365,608	1,000,000	.....	56 a 58
Total.....	1,956,629	3,369.257	899,648	4,691,523	.....	

The advance in price, under the steady demand for export and customs, was

about 8 per cent in the month of January, and the quantity received from California declined considerably. As a consequence the available stock was much diminished. The Government paid out during the month for interest on the public stock due January 1, about $6,000,000, and received back about as much from the customs, while the banks lost comparatively a small amount. The larger portion of that exported was apparently derived from the interior. In view of the probable large imports and the probable decline of exports for the coming year, the available stock of gold becomes a source of solicitude, and various estimates have been made as to the supply and demand. The latter has been stated at $104,000,000 for the year, or an average of $2,000,000 per week, while the former is computed at $141,000,000, including that in banks and the probable supply from California. It is, however, the case that as gold rises in price there is more disposition to hold it, and consequently less is available for export, and the payment of duties becomes more onerous. Pushed to an excess, this would of course stop imports and also the ability of the Government to pay interest on its stock. Many propositions were introduced into Congress to stop speculating in gold, under the impression that the rise was partly owing to those operations. It does not appear, however, that this is entirely the case. Our readers will remember that in February last we published a table of fifty-five leading articles of New York commerce, quoted in the prices current as compared with gold. Bringing forward those aggregates to the present time, we have results as follows:

	Price of gold.	Value of 55 articles.	U. S. notes outstanding.
January, 1862	par	$804	$20,550,826
April, "	1¼	844	105,880,000
January, 1863	35	1,312	244,366,351
March, "	72	1,524	345,553,500
July, "	25	1,324	400,180,110
October, "	54	1,455	422,525,280
January, 1864	52	1,693	478,000,000

These figures show the fact that most commodities have risen rapidly in price, while gold has remained comparatively stationary. The rise has affected every article on the list, as well those which were of Western origin and great staple exports as those which were of Southern origin and of which the supply was cut off by the war. The decreased supply of any important articles of commerce necessarily, by substitution, causes a rise in most other similar commodities, and raw materials, produce, importers' and manufacturers' goods have all risen in value, but in different degrees, as they have been more or less affected by the war and the Government demand. In times of war, as at present, three leading influences come into action. 1. Irredeemable paper money. 2. Great decrease in production, as in the case of cotton and cotton goods. 3. Great and unusual demand for all articles used for the support of armies and for the unavoidable waste which attends the conduct of a campaign. Now it will be observed that while other articles have been under these influences, gold has not been affected by them. Its production has been undiminished, its consumption and use have been greatly decreased, because it has been thrown out of general circulation, and the stock in the banks and Sub-Treasury is not less than it was. On the other hand, all goods have diminished in supply, and many sustain an unusual

demand, as in the case of wool. Under these circumstances it is evident that gold ought to have risen less than any other article, its price should be rather less than the actual depreciation of paper, while the other articles should be a great deal more. Accordingly, we find above that in the last six months gold has remained stationary at about 52 per cent premium over the price of January, 1862, while the prices of all other commodities have risen 111 per cent. Thus gold represents something less than the 'real depreciation of the Government money, and the other commodities something more, and is higher than the real depreciation of paper, under a very large Government demand.

The movement in exchange during the month has not been very large, and it has varied with the gold movement to some extent. When gold rose from 151¼ a 159¼, from January 9 to 22, the rise naturally caused the demand for bills to fall off, since buyers to remit are cautious on a rising market. The same influences caused a more active shipment of produce and, consequently, a greater supply of bills, and both circumstances served to make bills relatively cheaper than gold; that is, good bills could be bought at 9¼ for gold. This in some degree turned the investments from gold to bills and caused a decline in the latter, checking the rise in gold, and producing some fluctuations in premium in the last week. The prices of bills were as follows:

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 2,	166 a 166¼	3.38¾ a 3.34¼	62½ a 63	62¾ a 63¼	55½ a 56	110¼ a 111
" 9,	166¼ a 167¾	3.38½ a 3.40	62¾ a 63	62¾ a 63½	55¾ a 56½	110¼ a 111
" 16,	169½ a 170¾	3.30 a 3.32½	64 a 64½	64½ a 64¾	56½ a 57½	112¾ a 113¾
" 23,	170 a 171	3.31 a 3.33	64½ a 64½	64½ a 65	56¾ a 57	112¾ a 113¾

There is much foreign capital employed here on loans that would be remitted if a considerable fall in exchange should take place to admit of its being withdrawn without loss; as it is, it is employed here at 7 per cent and over, while the price abroad has declined in the last few weeks.

The principal employment for money has been in stocks, and speculation has been very rife, except in Government's, where little speculation has been manifest apart from the large investments in the 5-20s. The prices of the Government's have been as follows:

PRICES UNITED STATES PAPER.

	6's, 1881. Reg.	6's, 1881. Coup.	5's, 1874.	7 3-10, 3 years.	1 year certif. Old.	1 year certif. New.	Gold.
January 2.....	104⅝	105⅛	96	106⅛	101½	97⅛	151¼ a 151⅝
" 9.....	104⅝	105⅛	96	106⅛	102	97⅛	152 a 152¼
" 16.....	104	105⅛	96	106⅛	102⅛	97⅛	155 a 155¼
" 23.....	106	107	97	107	103	97	156 a 158

TRADE AND COMMERCE OF THE PORT OF NEW YORK.

MOVEMENTS OF DOMESTIC PRODUCE.

The following tables, giving the movement of domestic produce at the port of New York the past year, show great activity in certain articles, while in others there has been a large decrease in the receipts and shipments. The arrivals of oats have doubled in quantity, while the price has ruled very high, owing to the demand for the army.

The exports will be seen to have decreased largely in quantity, so that the large gain in nominal *value* must be owing to their increased price as entered at the custom-house.

RECEIPTS OF CERTAIN ARTICLES OF DOMESTIC PRODUCE AT THE PORT OF NEW YORK FOR THREE YEARS.

	1861.	1862.	1863.
Ashes.....bbls.	19,983	19,287	17,181
Breadstuffs—			
Wheat flour	4,968,971	5,384,872	4,574,059
Corn meal.....	98,519	251,319	252,729
Wheat .....bush.	28,429,135	29,280,629	17,937,856
Rye	775,665	957,729	439,567
Oats.....	4,852,009	5,435,016	11,076,035
Barley.....	1,854,301	1,865,615	2,143,485
Peas.....	310,398	211,140	267,490
Corn.....	20,725,166	18,548,799	14,243,599
Cotton..... bales	243,122	103,585	129,611
Naval stores—			
Crude turpentine.....bbls.	32,254	3,404	3,547
Spirits turpentine.....	46,097	3,950	4,663
Rosin.....	198,772	38,978	11,187
Tar.....	49,506	7,345	11,795
Pitch	2,367	2,938	1,087
Provisions—			
Pork.....pkgs.	138,770	377,819	426,981
Beef.....	119,028	276,846	206,519
Cut meats.....	105,835	329,265	463,995
Butter.....	539,234	668,842	518,537
Cheese.....	988,718	853,555	798,070
Lard .....tcs. and bbls.	126,942	397,431	400,928
Lark.....kegs	60,305	89,838	41,144
Whisky .....bbls.	311,019	364,791	261,814

EXPORTS FROM NEW YORK TO FOREIGN PORTS OF CERTAIN LEADING ARTICLES OF DOMESTIC PRODUCE FOR THREE YEARS.

	1861.	1862.	1863.
Ashes—pots.....bbls.	13,608	9,503	9,146
Ashes—pearls	3,507	1,580	1,264
Beeswax .....lbs.	238,553	122,349	170,230
Breadstuffs—			
Wheat flour .....bbls.	3,110,646	2,961,518	2,527,338
Rye flour.....	11,807	8,397	5,461
Corn meal.....	108,385	132,606	140,561
Wheat.....bush.	28,889,914	25,564,755	15,424,889
Rye.....	1,000,405	1,104,549	416,369
Oats.....	160,825	210,669	126,556
Barley.....	3,927	42,061	52,439
Peas.....	139,284	113,819	110,911
Corn	12,456,265	12,020,848	7,533,431

Candles.....bxs.	93,315	138,595	125,587
Coal.....tons	36,536	80,884	53,713
Cotton.....bales	152,562	24,400	13,945
Hay.....	15,776	48,674	19,986
Hops.....	28,377	33,409	25,409
Naval stores—			
Crude turpentine.....bbls.	21,571	17	22
Spirits turpentine.....	18,825	788	884
Resin.....	208,061	18,200	4,172
Tar.....	26,646	4,601	8,184
Pitch.....	3,080	906	1,634
Oils—whale.....galls.	1,196,468	1,554,359	269,634
Oils—sperm.....	1,030,328	756,173	510,648
Oils—lard.....	110,401	710,885	803,469
Oils—linseed.....	35,626	35,640	17,344
Provisions—			
Pork.....bbls.	116,654	171,302	192,903
Beef.....	29,013	32,977	41,632
Beef.....tcs.	33,924	27,765	62,868
Cut meats.....lbs.	50,565,732	145,102,758	183,519,060
Butter.....	23,159,391	30,603,235	23,060,799
Cheese.....	40,041,225	39,200,439	40,781,168
Lard.....	47,290,409	126,651,091	120,881,862
Rice.....tcs.	15,867	701	182
Rice.....bbls.	15,527	12,143	12,044
Tallow.....lbs.	25,820,335	43,866,920	43,487,731
Tobacco—crude.....pkgs.	116,598	113,575	107,439
Tobacco—manufactured,.....lbs.	3,152,484	1,593,044	3,542,210
Whalebone.....	975,075	1,191,907	259,185

EXPORTS OF DOMESTIC COTTONS.

We have compiled our annual table giving the exports of domestic cottons for the year, with the destination of the various shipments, which will be found very useful. At the close we have added the total clearances from Boston to foreign ports during the same period:

EXPORTS OF DOMESTIC COTTONS FROM THE PORT OF NEW YORK TO FOREIGN PORTS.

	1859.	1860.	1861.	1862.	1863.
Mexico.....pkgs.	2,475	4,878	2,766	2,427	1,886
Dutch West Indies.....	531	664	569	84	9
Swedish West Indies.....	...	47	38	..	.
Danish West Indies.....	696	952	522	316	29
British West Indies.....	227	497	537	165	149
Spanish West Indies.....	366	193	374	140	66
St. Domingo.....	977	2,196	1,257	484	63
British North America.....	78	10	60	23	16
New Granada.....	967	1,381	2,005	609	350
Brazil.....	3,637	8,103	5,400	953	86
Venezuela.....	919	1,328	1,421	141	32
Argentine Republic.....	903	1,111	480	145	13
Cisplatine Republic.....	...	...	...	...	19
Central America.....	55	58	23	1	1
West Coast South America.....	6,806	13,294	5,299	1	.
Honduras.....	259	389	245	12	5
Africa.....	323	1,406	876	49	11
Australia.....	135	323	180	3	..
East Indies and China.....	53,663	47,785	31,911	137	5
All others.....	1,793	1,792	1,823	47	30
Total.....	74,549	86,318	55,736	5,977	2,776
" from Boston.....	32,661	33,588	18,146	4,238	422

From the above it will be seen that the exports of domestics for the year, both from this port and Boston, have been smaller than for any previous year upon our record. The high cost is, of course, the cause of this decrease. Of the shipments from this port for the last year not specified (30 pk'gs) 27 were shipped to Liverpool.

FOREIGN IMPORTS.

We give below our usual table showing the quantities and values of foreign imports (other than dry goods and specie,) the past year, reproducing also the figures for the year 1862. The values are the invoiced specie values :

FOREIGN IMPORTS AT THE PORT OF NEW YORK, FOR THE YEARS ENDING DEC. 31, 1862, AND DEC. 31, 1863.

[*The quantity is given in packages when not otherwise specified.*]

	1862.		1863.	
	Quantity.	Value.	Quantity.	Value.
Alabaster ornaments	219	$2,869	408	$4,943
Baskets	4,581	35,220	3,863	69,329
Bags	....	530,563	....	403,775
Boxes	3	15,030	15	15,296
Bricks	....	11,272	2,424	9,283
Buttons	726	162,452	371	176,443
Building stones	....	2,481	....	25,691
Polishing stones	15	842	....	.....
Burr stones	....	17,202	....	9,867
Candles	....	.....	....	4,813
Clay	136	27,700	30	42,552
Cheese	1,766	60,155	1,636	47,957
Cigars	....	1,012,162	....	608,403
Coals ..... tons	366,990	901,311	305,884	808,456
Corks	249	182,769	247	154,125
Cotton ..... bales	70,565	6,121,403	103,542	13,153,314
China, galss, and earthenware—				
Bottles	6	15,159	100	11,511
China	4,578	210,968	4,843	263,218
Earthenware	27,357	887,822	32,966	1,067,477
Glass	123,128	226,287	74,195	171,536
Glassware	5,197	137,351	6,102	156,085
Glass, plate	1,302	176,512	2,846	363,459
Other glassware	3	1,719	....	.. ...
Clocks	65	10,235	203	19,260
Cocoa	9,229	156,564	9,461	167,623
Coffee	479,196	8,517,284	391,918	7,796,635
Drugs, etc.—				
Acids	1,531	122,175	1,881	153,506
Alkali	....	.....	527	7,772
Asphaltum	502	8,839	70	934
Aloes	233	4,579	293	8,592
Alum	106	2,308	787	21,470
Aluminous cake	116	1,900	100	1,640
Ammonia carbonate	328	18,164	313	16,718
"	297	12,657	20	1,073
" sal	275	19,929	383	25,036
" sulph	11	1,221	50	1,817
Aniline	....	....	8	1,334
Annatt	778	6,592	480	4,233
Aniline colors	....	....	45	41,780
Antimony	20	1,335	....	....

	1862.		1863.	
	Quantity.	Value.	Quantity.	Value.
Arrow root	346	5,712	924	5,338
Argols	1,293	162,037	1,265	161,362
Assafœtida	....	....	58	8,225
Arsenic	1,205	7,157	1,052	5,676
Bark	98	2,009	178	7,339
Barilla	....	2,875	....	6,501
Bark, peruvian	5,155	415,284	5,875	391,802
Barytes	753	3,678	100	401
Bark, calisaya	189	20,800	197	880
Bismuth	8	7,343	16	10,069
Bleaching powder	15,572	189,261	18,037	225,107
Blue galls	....	.....	30	2,256
Borax	3,724	108,746	15	387
Brimstone	116,474	334,223	25,330	201,676
Castor oil	649	13,075	3,486	50,246
Camphor	2,241	112,821	1,741	61,984
Chamomile	....	.....	35	638
Cantharides	95	26,841	....	583
Cardamoms	13	2,525	....	.....
Carmine	238	12,813	12	3,042
Chalk	3	5,304	10	1,665
Chamomile flowers	....	.....	30	1,389
Cream tartar	874	248,356	596	163,038
Chicory	52,421	301,813	23,356	199,005
Cochineal	1,461	175,342	1,037	120,102
Crystals pruss	....	.....	37	7,683
Cubebs	37	13,668	120	10,838
Cudbear	538	38,779	774	56,030
Cutch	5,316	25,566	3,480	16,864
Extract safflower	....	.....	16	7,639
Divi divi	....	6,741	....	.....
Dyestuffs	2	38,901	....	.....
Flor sulphur	500	4,396	109	5,278
Gambier	17,880	95,180	22,390	104,728
Gum arabic	9,256	283,063	2,468	89,775
Gums, crude	2,315	72,604	5,362	123,074
Gum copaivi	1,184	44,103	630	19,962
" cowrie	....	.....	2,926	41,071
" copal	79	1,589	1,126	16,646
" varnish	....	.....	1,000	10,290
" shellac	165	9,109	....	.....
Glue	11	741	93	4,575
Gypsum	200	2,261	....	.....
Indigo	7,743	2,083,180	4,089	718,730
Iodine	8	2,576	69	11,860
" pot	271	35,138	205	24,411
Ipecac	51	7,729	68	26,504
Ipecacuanha	224	38,664	3	346
Insect powder	13	679	13	2,707
Isinglass	....	.....	3	1,181
Jalap	240	37,076	5	1,107
Lac dye	504	28,494	127	6,293
Leeches	263	6,889	260	10,338
Licorice root	9,620	28,973	11,248	31,698
" paste	10,448	277,845	11,086	344,582
Madder	4,220	768,768	3,178	497,755
Magnesia	848	20,741	515	8,244
Manna	30	2,715	146	1,996
Morphine	....	.....	2	1,923
Nutgalls	....	.....	....	8,763
Nux vomica	....	.....	....	1,754

	1862.		1863.	
	Quantity.	Value.	Quantity.	Value.
Nitrate soda	1,000	14,453	500	170,976
Oils, unspecified	545	47,631	993	101,312
Oil, cod	1,415	39,796	619	30,329
" essence	2,491	189,188	1,900	139,489
" linseed	401	35,513	145	10,623
" olive	59,340	235,263	41,313	167,561
" palm	1,101	71,298	915	59,506
Opium	908	463,097	435	259,432
Orchilla weed	....	.....	....	4,581
Paints	....	558,489	....	405,094
Paris white	336	1,450	134	575
Pearl sago	....	.....	350	1,206
Potash, bichromate	32	5,718	....	.....
" chlorate	435	13,912	913	19,926
" hydrodate	475	41,030	27	3,666
Phosphorus	455	24,271	752	44,444
Plumbago	....	.....	....	37,056
Prussiate potash	55	10,279	....	.....
" white	....	.....	50	226
Quinine	1,070	177,074	186	27,353
Quicksilver	....	17,050	25	47,997
Reg. antimony	626	40,840	530	32,460
Rhubarb	1,041	43,631	120	5,557
Saffron	....	.....	1	857
Safflower	10	1,576	64	9,618
" extract	....	.....	16	7,639
Sago flour	485	6,971	....	.....
Saltpeter	409	336,439	20	392,349
Sarsaparilla	1,770	30,180	1,281	30,496
Scammony	2	1,344	4	4,533
Senna	59	10,954	5	2,485
Shellac	1,174	71,782	2,224	135,129
Soda, bicarbonate	109,890	323,969	98,491	293,348
" sal	21,974	158,281	18,112	84,108
" caustic	39	650	....	.....
" ash	27,204	664,105	27,734	631,863
Sponges	1,014	42,246	791	29,163
Sugar of lead	62	2,697	254	14,507
Sulphur	....	.....	200	960
Sulph quinine	10	9,788	....	.....
Sumac	43,389	139,466	49,604	167,259
Tonqua beans	79	9,390	146	18,610
Vanilla "	54	21,758	82	26,457
Vermilion	863	56,984	294	28,589
Whiting	150	446	....	.....
Yellow ochér	1,955	8,405	771	2,537
Zinc, oxide	....	.....	250	2,134
Drugs, unspecified	....	150,861	....	175,847
Emery	954	10,001	855	11,511
Fancy goods	....	1,057,688	....	1,480,126
Fans	....	.....	....	11,230
Feathers	....	20,124	....	289,922
Fire crackers	....	74,923	....	72,069
Fish	....	569,815	....	620,159
Flax	896	35,816	2,366	198,974
Flowers	....	.....	490	3,836
Fruits—				
Bananas	....	40,692	....	40,043
Citron	....	60,268	....	93,772
Currants	....	96,048	265	115,745
Dried fruit	....	14,357	....	14,957

	1862.		1863.	
	Quantity.	Value.	Quantity.	Value.
Dates	....	.....	....	4,812
Figs	....	35,837	....	35,161
Ginger root	....	.....	...	3,019
Lemons	....	288,138	....	267,925
Nuts	....	310,853	....	558,747
Oranges	....	442,223	....	362,616
Pres. Ginger	....	7,701	....	10,017
Pine apples	....	92,987	....	88,765
Plums	....	33,121	....	37,355
Prunes	....	35,625	....	21,268
Raisins	....	442,541	....	568,064
Sauces and preserves	....	271,291	....	150,697
Grapes	....	2,645	....	17,807
Other fruits	....	2,491	....	173
Furs, etc.—				
Felting	486	22,669	557	14,815
Furs	3,985	1,455,518	4,966	1,912,166
Hatters' goods	11	1,975	....	.....
Furniture	115	9,767	107	15,756
Grain	....	78,914	....	280,332
Grindstones	10	18,687	104	11,160
Gunny cloth	10,737	189,457	9,608	189,077
Gutta percha	1,237	62,262	132	10,088
Guano	....	.....	1,460	2,492
Grain	632	2,234	...	.....
Hair	2,990	337,845	3,487	359,230
Hair cloth	243	110,851	333	151,813
Hemp	77,646	859,641	84,733	965,909
Honey	5,464	168,786	5,101	133,828
Hops	276	3,276	355	9,202
India rubber goods	....	.....	5	6,639
" "	18,496	992,348	32,211	1,407,636
Irons	....	.....	52	4,448
Ivory	334	16,581	231	81,273
Instruments—				
Chemical	22	11,634	15	1,007
Mathematical	47	9,443	21	6,201
Musical	824	148,566	1,689	173,113
Nautical	12	3,805	11	4,551
Optical	219	87,386	330	125,402
Surgical	56	16,266	37	9,720
Jewelry and watches	934	1,152,764	1,233	1,959,310
Jute	150	1,522	615	910,522
Leather, hides, etc.—				
Bristles	301	48,906	213	22,481
Boots and shoes	843	188,870	651	175,896
Hides, dressed	3,149	1,189,773	2,921	1,084,703
" undressed	....	5,134,345	....	5,966,585
Horns	....	3,251	....	3,703
Leather	5	2,224	16	2,558
" patent	147	86,691	78	44,117
Liquors, wines, etc.—				
Alcohol	....	.....	11	416
Ale	4,693	47,153	5,074	49,464
Brandy	13,605	477,212	8,017	261,234
Beer	1,125	9,468	1,895	16,059
Champagne	68,182	411,799	101,901	601,028
Cordials	2,477	16,611	1,451	11,750
Gin	33,902	442,971	9,109	105,358
Porter	2,245	20,036	3,094	25,546
Rum	939	38,479	663	33,883

	1862.		1863.	
	Quantity.	Value.	Quantity.	Value.
Whisky	1,850	122,002	1,159	51,362
Wines	128,388	860,710	181,774	1,198,283
Metals, etc.—				
Brass goods	149	25,206	150	29,839
Bronzes	51	4,183	40	7,555
Chains and anchors	6,136	316,464	6,665	334,641
Copper	5	670,478	....	574,286
" ore	....	151,821	....	145,365
Cutlery	5,130	1,203,856	2,574	2,975,413
Gas fixtures	435	9,999	82	7,747
Guns	44,033	9,662,206	13,996	2,975,413
Hardware	2,788	415,957	3,179	501,253
Iron, hoop tons	1,927	83,487	3,110	134,955
" pig "	17,472	203,375	26,375	397,916
" railroad bars	98,658	500,419	275,855	1,484,974
" sheet tons	6,440	329,461	5,202	270,576
" tubes	17,378	32,391	52,719	142,794
" other tons	27,939	1,801,120	49,127	2,457,575
Lead, pigs	563,428	3,075,313	268,232	1,520,509
" ore	....	48,451	....	3,524
Metal goods	8,525	365,774	16,272	597,791
Nails	4,429	77,142	3,808	62,072
Needles	407	169,960	502	171,206
Nickel	78	46,703	276	147,538
Old metal	....	183,094	1	221,536
Plated ware	37	8,512	72	15,847
Platina	48	91,130	55	97,522
Percussion caps	331	64,594	331	71,559
Saddlery	154	35,782	161	41,976
Steel	93,992	1,602,391	119,699	2,083,842
Spelter lbs.	3,238,237	135,095	4,796,674	204,710
Silverware	41	7,300	35	11,145
Silver ore	....	.....	2	3,060
Tin plates boxes	481,117	2,992,025	557,745	3,290,815
" foil	20	753	....	.....
" slabs lbs.	4,975,090	1,182,626	2,598,289	584,790
Wire	5,749	181,839	4,530	144,982
Zinc lbs.	4,913,917	228,832	4,769,086	228,210
Lithograph stones	....	.....	....	540
Machinery	479	49,393	1,550	103,862
Marble, manfd. and unmanfd	161	52,802	....	123,028
Matches	91	1,726	54	1,084
Macaroni	4,695	6,011	9,188	16,328
Molasses	86,701	1,562,904	92,394	1,928,598
Mules and horses	....	.....	....	10,020
Oakum	80	556	....	.....
Oil paintings	228	55,291	439	143,114
Onions	....	6,905	....	10,614
Ostrich feathers	....	11,807	....	7,943
Paper hangings	109	11,590	388	27,864
Perfumery	801	69,174	894	70,757
Pearl sago	....	555	....	.....
Plaster	20	28,160	....	24,593
Pipes	....	256,429	....	265,802
Potatoes	....	253,557	....	100,255
Provisions	39	18,738	....	18,044
Pumice stone	....	.....	....	4,010
Rags	16,239	285,926	68,884	1,288,411
Rice	4,739	1,184,143	....	842,562
Rope	....	36,620	2	66,408
Rosin	1,161	11,501	2,656	86,587

	1862.		1863.	
	Quantity.	Value.	Quantity.	Value.
Sago	179	2,767	....	.....
Salt	....	550,161	....	373,725
Seeds, unspecified	....	138,913	....	110,196
Seed, castor	14,556	54,660	10,503	40,889
" flax	....	.....	920	18,400
Linseed	145,783	608,529	278,756	1,276,157
Soap	52,378	165,345	22,543	75,064
Spices	....	783,354	185	449 979
Stationery, etc	7,152	768,445	10,936	927,445
Statuary	....	.....	1,424	68,157
Sugars.....hhds., bbls., and tcs.	272,195	12,517,034	235,911	10,855,952
" .....boxes and bags	280,194	2,210,564	310,084	3,678,627
Tar	19,875	164,703	2,017	16,080
Tapioca	2,492	14,895	4,372	18,726
Trees and plants	25	16,827	2	17,735
Tea	726,527	8,676,245	511,903	6,796,102
Twine	1,518	16,936	370	24,547
Toys	4,629	938,927	6,397	303,934
Tobacco	56,181	1,569,095	....	.....
Tortoise shell	3	1,584	....	370,354
Tomatoes	413	5,819	....	6,448
Turpentine, spirits	11,070	427,956	....	292,039
Vinegar	70	501	....	.....
Vulture feathers	....	15,203	15,003	497,536
Waste	19,413	632,639	....	2,657
Whalebone	38	2,751	....	11,008
Wax	30	5,920	....	.....
Woods	64,692	1,032,171	74,782	1,096,300
Wool .....bales	89,930	6,227,970	114,864	8,538,021
Other miscellaneous	....	62,610	....	61,869
Grand total	.....	$114,709,276	.....	$117,325,929

WHOLESALE PRICES OF FOREIGN AND DOMESTIC PRODUCE AT NEW YORK.

We also present our annual comparative statement of the wholesale prices at this port of the leading articles of foreign and domestic produce, which will be found very interesting. There are few, even of those who are engaged in the trade, who can remember the changes in price from year, and this table will, therefore, be found very useful for reference. We may now bring down our annual tables of prices for January 3d of each year. The result is generally higher figures than even those of last year:

	1859.	1860.	1861.	1862.	1863.	1864.
Ashes, pots .....100 lbs.	$5 62½	$5 12½	$5 00	$6 25	$8 50	$8 50
Pearls	6 00	5 37½	5 00	6 25	8 25	9 75
Breadstuffs—						
Wheat flour, State....bbl.	4 30	4 30	5 35	5 50	6 05	7 00
Wheat, best extra Genesee	7 75	7 50	7 50	7 50	8 75	11 00
Rye flour, "	3 75	4 00	4 00	3 87½	5 45	6 65
Corn meal, Jersey	3 40	3 90	3 15	3 00	4 00	5 65
Wheat, white Gen...bush.	1 40	1 50	1 45	1 50	1 60	1 80
White Michigan	1 25	1 50	1 45	1 50	1 53	1 83
White Ohio	1 30	1 45	1 45	1 48	1 53	1 83
White Southern	1 45	1 45	1 45	1 52	...	...
Red Western	1 20	1 30	1 38	1 42	1 48	1 57
Chicago Spring	...	...	1 18	1 30	1 33	1 48

	1859	1860	1861	1862	1863	1864
Rye, Northern.....	78	92	75	83	96	1 30
Oats, State.....	53	46½	37	42	71	93
Corn, old Western	78	90	72	64	82	1 30
Corn, new Southern	75	80	72½	66	86	...
Cotton, mid. upland.....lb.	12	11	12½	35½	68½	82
Mid. New Orleans.....	12½	11⅝	12⅝	36	68	..
Fish, dry cod.....qtl.	4 00	4 50	3 50	3 50	4 50	6 75
Fruit, bunch raisins .....box	2 05	2 52	1 75	3 20	3 50	4 00
Currants.....lb.	7½	6	4½	9	13 a 13½	15
Hay, shipping.....100 lbs.	80	1 00	90	77½	85	1 45
Hops .....lb.	15	16	25	20	23	33
Iron, Scotch pig.....ton	25 00	24 50	21 00	23 00	33 50	45 00
English bars.....	55 00	53 00	52 00	57 00	77 50	90 00
Laths..... ..per M.	2 12½	2 00	1 30	1 25	1 45	1 50
Lead, Spanish .....ton	5 50	5 65	5 25	7 00	8 00	10 50
Galena.....	5 85	5 77½	5 50	7 12½	8 00	10 50
Leather, hemlock, sole....lb.	24	30	10½	20½	27	30
Oak	30	30	27	28	33	42
Lime, com. Rockland....bbl.	75	75	75	65	85	1 35
Liquors, brandy, cognac..gal.	3 00	3 26	2 00	4 00	5 25	...
Domestic whisky	24½	26	19⅝	20½	39	94
Molasses, New Orleans ..gal.	37	53	37	53	55	70
Naval stores, crude turp..bbl.	3 68½	3 43⅝	2 75	10 00	..	..
Spirits turpentine.....gal.	49	44½	35	1 47½	2 60	2 95
Common rosin, N. C....bbl.	1 55	1 65	1 25	6 00	14 50	30 00
Oils, crude, whale.....gal.	55	52	51	48	83	1 10
Crude sperm.....	1 36	1 40	1 40	1 40	1 75	1 60
Linseed	65	57	50	86	1 27	1 47
Provisions—						
Pork, old mess.....bbl.	17 00	16 37½	16 00	12 00	14 50	19 50
Pork, old prime.....	13 00	11 75	10 50	8 50	12 50	14 50
Beef, city mess.....	9 00	9 00	6 00	5 50	12 00	14 00
Beef, repacked Chicago....	9 50	9 50	9 00	11 00	13 00	15 00
Beef hams, extra.	15 00	14 50	14 00	14 50	15 50	18 50
Hams, pickled.....lb.	9½	9½	8	6	8	11
Shoulders, pickled.....	6½	6½	5½	4⅝	5⅝	8½
Lard.....	11½	10½	10⅛	8⅝	10	13
Butter, Ohio.....	18	16	14	15	22	24
" State	20	20	18	19	22	29
" Orange County...	25	24	22	22	25	32
Cheese.....	9	11	10	7	12	15½
Rice, good .....100 lbs.	3 50	4 20	4 00	7 00	8 75	10 00
Salt, Liverpool, ground..sack	90	1 15	65	86	1 25	1 85
Liverpool, fine, Ashton's...	1 38	1 95	1 60	1 70	2 15	2 80
Seeds, clover..... ...lb.	9½	8½	8⅝	7½	10⅝	12½
Sugar, Cuba, good.....	7	7⅝	6½	8½	10	12
Tallow	10	10½	9⅝	9⅝	10⅝	13
Whalebone, polar	95	90	88	76	1 65	1 60
Wool, common fleece.....	34	40	30	50	60	75

The rise in prices, as compared with last year, extends to every article upon the list, and is very strongly marked. If we make the comparison with the year 1860, there will be found to be a rise of about seventy-five per cent.

IMPORTS OF DRY GOODS.

The following will show the imports of foreign dry goods the last four years, together with the description of goods and the relative totals :

IMPORTS OF DRY GOODS AT NEW YORK.

Description of goods.	1860.	1861.	1862.	1863.
Manufactures of wool.....	$34,975,011	$16,720,981	$25,718,592	$29,703,956
" cotton.....	18,415,258	7,192,524	8,501,512	7,913,957
" silk... ...	35,582,035	13,324,411	11,568,807	15,534,469
" flax.....	8,952,812	3,580,303	7,666,946	10,381,059
Miscellaneous dry goods....	6,901,984	2,808,520	2,665,370	3,731,106
Total imports.....	$103,927,100	$43,636,689	$56,121,227	$67,274,547

We annex a summary of the imports of dry goods by months, in each of the last four years:

TOTAL IMPORTS OF DRY GOODS AT NEW YORK.

Months.	1860.	1861.	1862.	1863.
January	$11,770,005	$10,956,857	$2,965,952	$5,269,181
February	13,880,683	6,782,936	5,344,514	5,027,857
March	9,022,403	5,836,076	6,471,901	9,204,581
April.....	4,865,743	2,767,645	3,296,498	4,384,007
May.....	5,581,598	2,489,823	2,944,483	3,612,511
June	5,535,042	1,205,382	3,535,102	2,901,423
July	12,707,213	1,476,887	5,628,014	4,713,365
August	14,989,044	3,536,333	8,707,710	8,316,878
September	6,740,185	2,102,064	6,185,193	5,892,712
October.....	5,327,907	1,971,541	3,865,798	6,509,783
November.....	5,797,556	2,506,926	3,710,357	6,071,208
December.....	7,709,721	2,004,219	3,466,405	5,371,041
Total.....	$103,927,100	$43,636,689	$56,121,227	$67,274,547

The imports of dry goods for each year since 1849, may be seen by the following table:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK.

	Invoiced value.		Invoiced value.		Invoiced value.
1849.....	$44,435,571	1854.....	$80,842,936	1859.....	$118,152,624
1850.....	60,106,375	1855.....	64,974,062	1860.....	103,927,100
1851.....	62,846,731	1856... ..	93,362,893	1861.....	43,636,689
1852.....	61,654,144	1857.....	90,534,129	1862.....	56,121,227
1853.....	93,704,211	1858.....	60,154,509	1863.....	67,274,547

TOTAL IMPORTS AND EXPORTS AT NEW YORK.

We have given above the return of all the imports of dry goods for the year, at the port of New York, and we now give the total imports and exports.

IMPORTS.

Taking the imports of dry goods as given in the foregoing tables, the total imports may be classified as follows:

IMPORTS AT NEW YORK.

	1861.	1862.	1863.
Dry goods.....	$43,636,689	$56,121,227	$67,274,547
General merchandise.....	82,043,688	117,140,813	118,814,219
Specie.....	37,088,413	1,390,277	1,525,811
Total imports.....	$162,768,790	$174,652,317	$187,614,577

We thus see that the value of the imports, the past year, have increased about thirteen millions of dollars, being for 1862 one hundred and seventy-five millions.

and for 1863 one hundred and eighty-seven millions. This increase is almost entirely in dry goods. If, however, we compare these figures with those of 1859 and 1860 (the two years previous to the war), we will find the total imports, the past year, to be less, by about fifty millions, than during those years. We give the figures since 1850, classifying them into dutiable, free, and specie. Under the head of dutiable is included both the value entered for consumption and that entered for warehousing.

FOREIGN IMPORTS AT NEW YORK.

	Dutiable.	Free goods.	Specie.	Total.
1851	$119,592,264	$9,719,771	$2,049,543	$131,361,578
1852	115,336,052	12,105,342	2,408,225	129,849,619
1853	179,512,412	12,156,387	2,429,083	194,097,652
1854	163,494,984	15,768,916	2,107,572	181,371,472
1855	142,900,661	14,103,946	855,631	157,860,238
1856	193,839,646	17,902,578	1,814,425	213,556,649
1857	196,279,362	21,440,734	12,898,033	230,618,129
1858	128,578,256	22,024,691	2,264,120	152,867,067
1859	213,640,363	28,708,732	2,816,421	245,165,516
1860	201,401,683	28,006,447	8,852,330	238,260,460
1861	95,326,459	30,353,918	37,088,413	162,768,790
1862	149,970,415	23,291,625	1,390,277	174,652,317
1863	174,521,766	11,567,000	1,525,811	187,614,577

We now annex our usual detailed statement, showing the receipts from foreign ports during each month of the year, for the last five years, both of dutiable and free goods, and what portion were entered for warehousing, and the value withdrawn from warehouse:

ENTERED FOR CONSUMPTION.

	1859.	1860.	1861.	1862.	1863.
Jan	$15,556,727	$16,521,174	$3,178,837	$6,763,396	$8,741,227
Feb	15,231,446	14,467,040	7,003,399	7,058,174	7,372,539
March	15,314,023	16,163,698	6,700,061	10,312,689	11,461,572
April	15,595,141	10,407,966	5,393,809	7,141,197	9,493,830
May	15,222,311	10,515,411	2,889,588	8,091,120	7,980,281
June	14,909,315	11,870,400	1,825,563	7,278,953	6,32 ,581
July	21,681,460	18,759,905	3,200,663	13,799,505	9,080,210
August	18,416,207	19,564,675	3,359,695	10,289,427	10,004,580
Sept	12,470,440	11,516,139	3,106,298	11,890,711	11,203,535
Oct	9,345,609	10,974,428	3,638,580	8,462,554	11,885,569
Nov	9,978,720	8,525,416	4,614,982	6,565,185	10,326,929
Dec	13,043,310	5,374,246	4,342,756	6,831,073	10,498,576
Total	$176,765,309	$154,660,498	$54,254,231	$104,483,984	$114,377,429

ENTERED WAREHOUSE.

Jan	$1,201,701	$2,744,411	$8,560,680	$3,141,725	$4,482,794
Feb	1,264,502	1,526,772	3,751,678	3,370,486	3,657,775
March	2,804,412	3,592,093	3,084,187	4,841,846	6,016,901
April	3,754,895	4,127,857	4,187,678	3,853,218	6,456,208
May	4,746,614	4,436,660	5,342,313	4,600,920	5,437,404
June	5,401,253	4,487,109	3,245,504	3,874,127	5,377,835
July	3,943,374	4,462,475	1,769,636	4,502,764	6,057,312
Aug	2,964,044	4,182,764	2,660,457	2,939,721	4,409,891
Sept	2,177,968	2,835,784	1,890,766	4,851,084	3,431,310
Oct	2,194,252	2,817,461	2,082,381	3,689,806	4,189,457
Nov	2,794,108	3,961,652	2,150,561	2,108,009	4,956,415
Dec	3,534,920	7,566,147	2,346,887	4,212,725	5,676,955
Total	$36,875,054	$46,741,185	$41,072,228	$45,486,431	$60,144,337

FREE GOODS.

	1859.	1860.	1861.	1862.	1863.
Jan.....	$2,618,220	$2,262,638	$2,825,665	$2,552,050	$2,413,649
Feb.....	2,269,228	3,172,392	2,312,563	3,381,473	783,561
March.....	2,620,654	3,739,241	2,873,697	3,476,004	1,328,806
April.....	2,802,542	2,386,349	3,351,905	2,232,315	1,328,216
May.....	3,461,285	1,845,020	2,730,568	1,446,093	710,021
June	3,430,361	2,765,008	2,151,513	1,122,092	781,053
July.....	1,436,147	1,594,918	2,972,054	1,881,932	688,880
Aug	2,920,921	2,050,665	1,816,224	982,992	509,781
Sept	1,810,626	1,652,832	1,577,385	1,784,804	786,864
Oct.....	1,447,443	1,911,515	2,163,452	1,004,870	741,888
Nov.....	1,955,087	2,487,290	1,964,644	1,526,496	665,207
Dec.....	2,145,534	2,138,579	2,574,248	1,950,504	834,074
Total....	$28,703,732	$28,006,447	$30,353,918	$28,291,625	$11,567,000

SPECIE.

Jan.....	$71,303	$228,050	$7,262,229	$163,658	$101,906
Feb.....	92,209	190,175	2,274,067	62,007	213,971
March.....	81,666	85,094	5,546,406	89,327	123,616
April.....	272,441	49,186	1,953,001	26,152	107,061
May	122,436	96,060	3,486,812	110,388	197,217
June.....	495,392	38,272	5,387,153	61,023	109,997
July.....	175,139	64,351	6,996,498	219,001	182,245
Aug.....	348,419	140,750	1,049,552	92,703	113,877
Sept.....	184,553	255,695	1,231,012	121,318	78,231
Oct.....	630,646	1,083,838	639,328	256,676	78,053
Nov.....	167,087	446,798	908,825	109,708	103,144
Dec.....	184,658	6,174,061	353,530	78,316	116,493
Total.....	$2,816,421	$8,852,330	$37,088,413	$1,890,277	$1,525,811

TOTAL IMPORTS.

Jan.....	$19,447,962	$21,756,273	$26,827,411	$12,620,829	$15,739,576
Feb.....	18,848,870	19,356,379	16,341,707	13,872,140	13,027,846
March..	20,820,456	23,580,126	18,204,351	18,719,866	18,390,895
April....	22,425,619	16,971,358	14,886,393	13,252,582	17,385,315
May.....	23,552,645	16,893,151	14,949,281	14,248,521	14,324,925
June....	24,069,821	19,160,789	12,649,733	12,336,195	12,597,516
July.....	27,286,120	24,881,649	14,938,851	20,353,202	16,003,677
Aug.....	24,649,591	25,938,854	8,885,928	14,304,843	15,038,129
Sept....	16,643,535	16,260,450	7,305,461	18,147,917	15,499,940
Oct.....	13,617,946	16,787,242	8,523,741	13,413,906	16,894,967
Nov.. ..	14,895,002	15,421,156	9,639,012	10,309,398	16,045,695
Dec.....	18,908,398	21,253,033	9,616,921	13,072,618	17,126,098
Total.	$245,165,516	$238,262,460	$162,768,790	$174,652,817	$187,614,577

WITHDRAWN FROM WAREHOUSE.

Jan.....	$2,088,270	$2,964,024	$2,543,273	$4,356,252	$2,881,531
Feb.....	2,167,898	2,338,649	5,781,723	3,466,641	2,499,127
March.....	1,718,231	2,200,117	5,817,144	3,039,567	3,456,530
April.....	1,543,551	2,069,423	1,761,245	4,405,410	4,132,633
May.....	1,628,434	2,475,067	1,606,864	3,730,232	9,794,773
June.....	2,369,281	2,268,377	1,963,842	5,054,106	3,830,337
July	2,595,063	3,593,993	6,622,454	6,102,033	4,227,265
Aug.....	3,296,084	3,325,105	2,614,652	2,386,604	6,429,421
Sept.....	2,893,741	4,007,272	2,938,464	2,715,630	6,942,561
Oct.....	2,749,892	3,018,393	2,518,080	3,109,388	4,858,512
Nov.....	1,970,134	1,597,801	1,987,626	1,914,983	4,084,183
Dec.....	1,840,754	1,246,203	3,561,887	1,282,908	3,714,294
Total....	$26,857,089	$31,103,924	$39,717,259	$41,563,754	$50,851,167

EXPORTS.

The total exports for 1863 show a very large gain over 1862, being in nominal value about $14,000,000. If we compare these figures with 1859, the increase will be found to be very great—in fact, about two hundred per cent. The total shipments for 1859, exclusive of specie, were $67,980,321, while the past year they have been $170,710,968. The following will show the comparative shipments for the last five years of produce and merchandise by quarters:

EXPORTS FROM NEW YORK TO FOREIGN PORTS EXCLUSIVE OF SPECIE.

	1859.	1860.	1861.	1862.	1863.
First quarter..	$13,725,642	$20,827,086	$33,477,742	$32,075,568	$50,614,908
Second quarter	17,883,621	22,740,760	33,123,489	29,798,344	41,046,726
Third quarter.	17,637,253	26,079,326	30,075,918	45,813,299	38,825,587
Fourth quarter	18,733,805	33,845,108	41,917,752	49,747,611	40,223,747
Total.....	$67,980,321	$103,492,280	$138,594,901	$156,934,822	$170,718,968

We now annex our usual detailed statement, showing the exports of domestic produce, foreign dutiable and free goods, and specie and bullion during each month of the last five years:

DOMESTIC PRODUCE.

	1859.	1860.	1861.	1862.	1863.
Jan.....	$3,762,182	$5,299,142	$10,277,925	$12,053,477	$14,329,398
Feb.....	3,283,592	5,699,887	10,236,820	10,078,101	17,780,586
March.....	5,277,840	6,998,687	10,580,907	8,985,176	16,137,689
April.....	5,950,921	6,638,682	9,255,648	8,002,094	11,581,933
May.....	5,180,652	5,812,190	10,855,709	9,337,693	13,183,510
June	4,880,395	8,307,774	10,270,430	10,048,832	14,780,072
July.....	4,938,065	7,525,713	9,552,789	14,050,437	15,298,073
August....	5,150,710	8,012,814	9,652,801	13,046,389	10,666,959
Sept	4,946,612	9,232,931	9,877,909	14,734,993	11,717,761
Oct	4,752,779	10,067,330	12,904,350	19,476,947	14,513,454
Nov.....	5,323,611	11,262,701	14,109,763	14,060,340	11,413,591
Dec	6,382,172	10,610,945	13,661,444	14,305,112	12,846,151
Total..	$59,929,531	$95,468,296	$131,235,995	$149,179,591	$164,249,177

FOREIGN FREE.

Jan.....	$232,865	$324,003	$399,940	$27,193	$73,111
Feb	263,851	344,994	137,950	49,066	43,889
March	297,381	285,351	109,270	65,388	213,685
April.....	382,289	254,742	209,573	56,350	74,949
May..	426,002	309,921	180,114	76,971	103,227
June	187,522	200,464	648,482	43,368	49,380
July.....	232,527	140,949	203,325	1,117,193	77,232
August	890,646	76,083	57,965	417,100	90,815
Sept.....	635,132	46,620	30,013	667,987	55,400
Oct	482,440	94,175	60,868	179,205	145,325
Nov.....	639,538	84,167	41,973	45,538	56,534
Dec.....	481,263	97,241	75,474	108,489	55,555
Total.....	$5,050,909	$2,258,710	$2,154,947	$2,853,848	$1,037,212

FOREIGN DUTIABLE.

Jan.....	$119,489	$399,317	$465,978	$149,493	$668,275
Feb.....	188,210	631,489	429,537	208,757	610,009
March	200,779	844,716	839,415	458,917	758,266
April.....	441,489	482,489	231,784	607,678	375,224
May.....	308,096	248,270	567,872	752,797	602,254

	1859.	1860.	1861.	1862.	1863.
June	126,255	486,228	903,877	372,561	298,067
July.....	380,782	232,552	260,866	449,948	448,601
August	374,707	191,270	176,581	256,680	231,778
Sept	188,072	620,394	264,168	572,572	238,972
Oct	252,878	394,753	192,196	434,265	350,614
Nov.....	177,288	400,218	377,170	284,878	383,948
Dec.....	241,836	833,578	494,514	352,902	458,575
Total.....	$2,999,888	$5,765,274	$5,203,959	$4,901,383	$5,425,579

SPECIE AND BULLION.

Jan.....	$2,305,688	$853,562	$58,894	$2,658,274	$4,634,574
Feb.....	2,371,427	977,009	1,102,926	3,776,919	3,965,664
March.....	3,343,677	2,381,668	301,802	2,471,233	6,585,442
April.....	6,259,167	2,995,502	1,412,674	4,037,675	1,972,834
May.....	11,421,032	5,529,936	128,900	5,164,636	2,115,675
June.....	7,469,981	3,842,080	244,242	9,867,614	1,367,774
July.....	10,051,019	6,563,985	11,020	8,069,337	5,268,881
August.....	6,409,783	7,454,813	3,600	3,713,5g2	3,465,261
Sept	3,267,681	3,758,734	15,756	3,085,919	3,480,385
Oct	5,344,159	2,106,395	15,038	6,707,519	6,210,156
Nov.....	4,383,123	525,091	48,385	6,218,251	5,488,363
Dec.....	2,062,129	202,401	893,013	3,673,112	5,259,053
Total.....	$69,715,866	$42,191,171	$4,236,250	$59,437,021	$49,754,066

TOTAL EXPORTS.

Jan....	$6,419,696	$6,876,024	$11,202,737	$14,888,437	$19,695,358
Feb. ...	6,107,060	7,652,879	11,907,233	14,112,843	22,400,148
March..	9,219,678	10,510,417	11,331,394	11,980,714	23,695,082
April...	13,033,366	10,390,415	11,709,679	12,703,797	14,004,940
May....	17,335,782	11,900,317	11,732,595	15,832,097	16,902,780
June...	12,681,153	17,336,546	12,067,031	20,332,375	16,495,293
July....	15,602,393	14,463,199	10,028,000	23,684,915	21,092,787
August.	12,725,846	15,734,980	9,890,448	17,435,701	14,454,809
Sept...	14,037,497	13,658,679	10,178,846	19,061,471	15,492,518
Oct....	10,832,256	12,662,653	13,172,452	26,797,936	21,219,549
Nov....	10,524,560	12,272,177	14,577,291	20,603,942	17,292,436
Dec....	9,167,400	11,745,165	15,124,445	18,939,615	18,619,334
Total	$137,696,187	$145,683,451	$142,931,151	$216,371,843	$220,465,034

RECEIPTS OF CUSTOMS AT NEW YORK.

The revenue at the port for 1863 shows a relative gain upon the imports, the total being six and a-half millions in excess of the corresponding figures for the previous year. The following is a comparative summary:

Jan...	$3,478,471 38	$3,899,166 17	$2,059,202 33	$3,351,657 22	$4,127,906 82
Feb..	3,328,688 93	3,378,043 28	2,528,736 83	3,565,063 83	3,590,713 97
March	3,164,011 25	3,477,545 74	2,489,026 25	4,626,862 86	4,554,460 13
April.	3,212,060 49	2,444,267 96	1,643,261 99	4,149,952 36	3,957,197 57
May .	4,014,520 39	2,466,462 76	979,145 14	4,704,914 62	3,873,865 42
June.	3,314,429 55	2,024,193 89	885,062 41	4,664,927 19	3,788,934 06
July..	4,851,246 89	4,504,066 04	2,069,590 86	7,211,817 68	4,912,718 49
Aug .	4,243,010 43	4,496,243 10	1,558,824 11	4,762,581 54	6,206,735 58
Sept..	2,908,509 95	3,038,803 28	1,642,382 43	5,239,045 50	7,270,543 65
Oct...	2,318,750 32	2,632,078 38	1,672,616 84	4,309,419 87	6,238,943 46
Nov..	2,157,154 48	1,794,748 67	1,851,384 73	3,003,270 23	5,075,846 24
Dec..	2,843,388 39	1,171,862 74	2,334,847 38	2,664,593 82	5,248,189 03
Total	$38,834,242 95	$36,027,481 51	$21,714,981 30	$52,254,116 72	$58,886,054 42

Of the above total for 1863, the sum of $44,611,891 was received in specie, $2,337,072 37 in the interest-bearing Treasury notes, and the remainder in demand notes. The paper receivable for customs is about exhausted, and most of payments will hereafter be made in coin.

ARRIVALS IN NEW YORK, 1863.

FROM FOREIGN PORTS.

We are indebted for the following statement of foreign arrivals at this port, for the year 1863, to the politeness of Mr. A. M. Trotter, Boarding Officer of the United States Revenue Department, Whitehall:

War vessels	38	Barques	1,238
Steamers	361	Brigs	1,695
Ships	774	Schooners	1,011
Total			5,120

Of which there were—

Nations.	Steamers.	Ships.	Barques.	Brigs.	Schooners.	Total.
American	103	491	417	436	333	1,780
Argentine Confederation	...	1	5	2	...	8
Austrian	...	15	34	18	...	67
Belgian	...	...	4	1	...	5
Bremen	21	62	80	25	...	188
British	211	117	369	951	682	2,280
Brazilian	...	...	...	6	4	10
Chilian	...	1	...	...	...	1
Columbian	...	...	...	1	...	1
Danish	...	1	26	46	15	87
Dutch	...	...	9	29	3	41
French	1	17	41	14	3	76
Greek	...	...	...	...	1	1
Hamburg	27	19	12	12	2	72
Hanoverian	...	8	11	9	...	28
Honduras	...	...	...	...	1	1
Italian	...	7	36	31	2	74
Mecklenburg	...	4	14	4	...	22
Mexican	...	...	...	1	2	3
Nicaraguan	...	...	...	...	1	1
Norwegian	...	15	52	34	1	102
Oldenburg	...	1	5	6	...	12
Portuguese	...	1	6	11	4	22
Prussian	...	11	80	32	...	123
Russian	...	2	11	1	...	14
Spanish	...	1	3	9	6	19
Swedish	1	...	19	14	4	38
Venezuelan	...	...	5	1	...	6
Total	364	774	1,238	1,695	1,011	5,082
Foreign war vessels—British						9
" " French						20
" " Italian						1
" " Russian						6
" " Spanish						2
Total						5,120

	Foreign arrivals.	Br. vessels.	Pas'ng's from foreign ports.	Pas'ng's from Calif'a.
1841	2,118	384	57,337	.....
1842	1,960	388	74,949	.....
1843	1,882	271	46,302	.....
1844	2,208	324	61,602	.....
1845	2,044	276	82,760	.....
1846	2,289	380	115,230	.....
1847	3,147	730	166,110	.....
1848	3,060	754	191,909	.....
1849	3,237	811	221,799	.....
1850	3,487	661	226,287	.....
1851	3,888	966	299,081	18,207
1852	3,822	1,013	310,335	12,158
1853	4,105	945	299,425	15,517
1854	4,173	809	331,809	15,929
1855	3,391	610	152,234	13,400
1856	3,809	719	159,284	11,925
1857	3,002	715	203,499	11,265
1858	3,483	685	97,632	8,860
1859	4,027	980	101,320	16,949
1860	4,451	1,132	126,627	10,716
1861	5,122	1,449	80,790	9,117
1862	5,487	1,919	94,607	7,421
1863	5,129	2,280	178,727	11,561

COASTWISE.

	Steamers.	Ships.	Barq's.	Brigs.	Schrs.	Total.
January	69	9	23	22	418	541
February	47	10	19	13	412	501
March	54	34	20	18	621	747
April	62	11	15	24	454	566
May	17	17	15	17	501	617
June	75	4	17	36	694	826
July	98	13	16	42	471	642
August	101	3	11	25	576	716
September	95	5	8	22	641	771
October	88	9	14	34	683	828
November	96	9	20	15	529	666
December	81	8	24	37	415	565
Total	933	129	202	305	6,415	7,984

Whole number as above	7,984
Which added to the foreign	5,120
Makes a total for the year of	13,104
Whole number last year	12,535
Increase	569

In the above, there are no sloops included, which, if added to the many schooners from Virginia and Philadelphia, with wood and coal, which, though consigned here, discharge their cargoes at Brooklyn, Williamsburg, Jersey City and the adjacent towns on the Hudson, and are not boarded, owing to the remoteness of those points from general business, would make the number much greater. We estimate the schooners that arrive at the above places and are not reported at five per day, which we think an estimate rather under than over the actual number; this would give, for the year, 1,825 additional schooners to be added to the coasting trade, making the whole number of coastwise arrival, for 1863, 8,973.

JOURNAL OF BANKING, COMMERCE AND FINANCE.

BANK RETURNS AND BANK ITEMS.

MONETARY PROSPECTS OF 1864.—The year 1864 opens, in a pecuniary point of view, under remarkable circumstances, both in Europe and America. A war in which all the States of the Old World may finally be engaged appears to be more and more imminent every succeeding week. Should the mutterings we now hear be the beginning of a bloody strife, the effects, financially, on both sides of the Atlantic, must be very decided. Then, again, the cotton trade (as we have shown in previous numbers) is disarranging all former calculations. For instance, the English Board of Trade Returns, just issued for the ten months ending October 31st, show the following as the values of raw cotton imported into Great Britain, and the countries from which it has been received :

	1861.	1862.	1863.
United States	£26,548,282	£499,825	£460,458
Brazil	504,371	1,274,063	1,689,219
Egypt	1,245,066	2,718,332	6,599,293
British East Indies	6,283,113	12,632,381	22,051,712
Other countries	187,566	1,565,010	6,874,489
Total	34,718,348	18,684,120	37,675,165

And the importation was proceeding at a great rate, for the imports for October were valued at £5,994,951.

If we look at the quantities of raw cotton, we find them as follows, for the same ten months :

1861	cwts.	10,103,523
1862		3,076,073
1863		4,226,127

So that they are paying $3,000,000 more than they paid in 1861 for considerably less than half the quantity, and double what they paid in 1862 for only one third more in quantity. But the peculiar and important feature of the trade is, *that this cotton is bought in new countries and must be paid for in specie*, and not as formerly, when bought of the United States, in manufactures. New countries, and especially semi-barbarous countries, are not ready to buy just because they are able to sell. They take the money, and keep it. That such is the case, in this instance, is shown by the following figures :

COTTON IMPORTS IN GREAT BRITAIN FOR TEN MONTHS, ENDING OCT. 31.

	1863.	1862.
Brazil	£1,689,213	£1,274,063
Egypt	6,599,293	2,713,332
India	22,051,712	12,632,371
Total	30,340,218	16,619,776

Showing an increase of cotton imports from these three countries of £13,720,442. And yet, notwithstanding this increase, the exports to these same countries have augmented but very little, as will appear from the following :

EXPORTS FROM GREAT BRITAIN FOR TEN MONTHS, ENDING OCT. 31.

	1863.	1862.
Brazil	£3,146,007	£3,129,566
Egypt	3,490,466	1,912,703
India	15,396,395	12,421,663
Total	22,032,868	17,463,932

Being an increase of exports from Great Britain of only £4,568,936, while there was an increase of imports to Great Britain of £13,720,442. It is evident, therefore, that there is a large balance of trade due from Great Britain to the cotton growing countries which must be paid in bullion. Then, again, there is a balance against France, on the same trade, which must be paid in a similar manner. When we remember that this trade is not only being continued, but that the present year *will see it greatly increased*, we can form an idea of the disturbing influence thus at work. We conclude, therefore, from the foregoing, that money will be very dear in Europe the coming year, and that fact will react on us and cause money to be dear here.

But aside from European influences, the war we have in our midst and the necessities for money which it begets, and the speculative tendencies of the times, must increase the price of money, whatever plan the Secretary of the Treasury may adopt for raising the necessary funds. We look forward, therefore, to a period of dear money in this country, and venture to place on record the prediction, that, in October next, there will be greater stringency in the New York money market than has been experienced for many years.

REVENUE OF GREAT BRITAIN, ETC.—We have prepared the following table, showing the revenue of the United Kingdom for the last three years:

REVENUE OF THE UNITED KINGDOM.

	1861.	1862.	1863.
Customs	£23,774,000	£24,086,000	£23,421,000
Excise	18,161,000	17,584,000	17,745,000
Stamps	8,488,170	8,913,945	9,252,900
Taxes	3,119,000	3,148,000	3,208,000
Property tax	9,962,000	11,104,000	9,806,000
Post office	3,500,000	3,600,000	3,800,000
Crown lands	293,479	298,521	302,500
Miscellaneous	1,806,202	2,361,963	2,899,120
Total	68,603,351	70,996,429	70,439,620

In this connection, the following table, showing the stamp duties in England, on bonds and mortgages, bills, etc., will be of interest:

STAMP DUTIES IN GREAT BRITAIN.

BONDS AND MORTGAGES.

	s.	d.		s.	d.
Not exceeding £50	1	3	Exceeding 500 not exc. 600	15	0
Exceeding 50, not exc. 100	2	6	" 600 " 700	17	6
" 100 " 150	3	9	" 700 " 800	20	0
" 150 " 200	5	0	" 800 " 900	22	6
" 200 " 250	6	3	" 900 " 1000	25	0
" 250 " 300	7	6	" 1000 " 1100	27	6
" 300 " 400	10	0	For every additional 100 or fractional part	2	6
" 400 " 500	12	6			

BILLS INLAND, OR PROMISSORY NOTES.

	£	s.	d.
Not exceeding £5....	0	0	1
Exceeding 5, not exc. 10....	0	0	2
" 10 " 25....	0	0	3
" 25 " 50....	0	0	6
" 50 " 75....	0	0	9
" 75 " 100....	0	1	0
" 100 " 200....	0	2	0
" 200 " 300....	0	3	0
" 300 " 400....	0	4	0
" 400 " 500....	0	5	7
" 500 " 750....	0	7	0
" 750 " 1000....	0	10	0
" 1000 " 1500....	0	15	0
" 1500 " 2000....	1	0	0
" 2000 " 3000....	1	10	0
" 3000 " 4000....	2	0	0
" 4000 per 1000....	0	10	0

Penalty for post dating bills, £100.

CONVEYANCES, SALES, ETC.

	s.	d.
Not exceeding £22....	2	6
Exceeding 25, not exc'ng. 50	5	0
" 50 " 75....	7	6
" 75 " 100....	10	0
" 100 " 125....	12	6
" 125 " 150....	15	0
" 150 " 175....	17	6
" 175 " 200....	20	0
" 200 " 225....	22	6
" 225 " 250....	25	0
" 250 " 275....	27	6
" 275 " 300....	30	0
" 300 " 350....	35	0
" 350 " 400....	40	0
" 400 " 450....	45	0
" 450 " 500....	50	0
" 500 " 550....	55	0

PROBATES OF WILLS, AND LETTERS OF ADMINISTRATION.

	With a will annexed. £ s.	Without a will. £ s.
Exceeding £20, and not exceeding £50....	0 00	0 10
" 20 " 100....	1 10	0 00
" 50 " 100....	0 00	1 0
" 100 " 200....	2 0	3 0
" 200 " 300....	5 0	8 0
" 300 " 450....	8 0	11 0
" 450 " 600....	11 0	15 0
" 600 " 800....	15 0	22 0
" 800 " 1000....	22 0	30 0
" 1000 " 1500....	30 0	45 0
" 1506 " 2000....	40 0	60 0
" 2000 " 3000....	50 0	75 0
" 3000 " 4000....	60 0	90 0
" 4000 " 5000....	80 0	120 0
" 5000 " 6000....	100 0	150 0
" 6000 " 7000....	120 0	180 0
" 7000 " 8000....	140 0	210 0
" 8000 " 9000....	160 0	240 0
" 9000 " 10000....	180 0	270 0
1,000,000....	15,000 0	22,500 0
For every 100,000 above 1,000,000....	1,500 0	2,250 0

ESTIMATES AS TO THE PROBABLE RECEIPTS INTO GREAT BRITAIN OF COTTON, FOR 1864.—We append the following table, as being important, in connection with what has been said above. Estimates have been made by Messrs. ASHWORTH, CHEETHAM, WHITWORTH BROTHERS, NEILL BROTHERS, London (which are based upon a knowledge of the extent of the growth of the staple in the several places named), of the probable receipts of cotton into Great Britain during 1864, which will be found very nearly to agree. These estimates are as follows:

		Estimates for 1864.			
	Imports, 1863.	Neill Bros.	Ashworth.	Cheetham.	Whitworth.
India.....bales	1,200,000	1,650,000	1,550,000	1,500,000	1,650,000
America.....	140,000	140,000	140,000	100,000	150,000
Egypt.....	200,000	300,000	300,000	300,000	325,000

Turkey and Greece...	40,000	140,000	350,000*	150,000	220,000
Italy, etc.....	4,000	15,000	14,000	25,000	50,000
Brazil, etc.....	150,000	190,000	471,000	185,000	200,000
China.....	150,000	200,000		150,000	250,000
Other sources.....	26,000	80,000		85,000	70,000
Total.....	1,910,000	2,665,000	2,825,000	2,445,000	2,915,000
Giving for consumption and export weekly..	36,700	51,100	54,600	47,000	56,000

IMPORTS OF BULLION INTO, AND EXPORTS FROM LONDON.—The following table, from Messrs. PIPBY, ABELL & LANGLEY'S Circular, shows the imports of bullion into, and exports from, London, for the past two years:

IMPORTS FOR THE SIX MONTHS ENDING DEC. 31.

	1862.	1863.
Belgium.....	£622,050	£555,482
France.....	1,505,253	794,290
Russia.....	717,297	486,987
Holland.....	.....	864,380
United States.....	7,166,088	4,703,500
Mexico, Central America, and West Indies.....	3,805,174	4,616,950
Australia.....	3,214,584	2,457,850
New Zealand.....	19,000	467,000
Total, including other countries.....	17,840,245	14,756,122
Total for first six months.....	12,677,421	15,780,805
Grand total for the year.....	30,517,666	30,486,927

EXPORTS FOR THE SIX MONTHS ENDING DEC. 31.

	1862.	1863.
France.....	£4,078,491	£1,858,728
Russia.....	678,000	1,072,586
Spain and Portugal.....	1,262,244	308,700
Alexandria.....	477,198	1,500,495
Bombay.....	4,070,248	3,942,765
Hong Kong.....	794,916	311,468
Shanghai.....	547,088	330,225
Brazil.....	341,426	889,295
Total, including other countries.....	15,042,747	11,622,131
Total for first six months.....	12,564,751	13,634,596
Grand total for the year.....	27,607,498	25,256,727

CITY BANK RETURNS.—The loans in New York city decrease rapidly. In September and October they had reached $207,000,000, but since then they have been falling off until, in the returns for January 23, they are only $162,925,888. The loss in deposits is also about the same in amount, while the decrease in specie is continued each week. Taking the returns for loans, deposits, and specie at their highest point reached during the past six months, and they compare as follows with the returns of January, 1864:

Loans and discounts.		Deposits.		Specie.	
Sept. 19, '63	$207,679,456	Sept. 26, '63	$186,080,773	July 11, '63	$38,566,295
Jan. 23, '64..	162,925,888	Jan. 23, '64.	130,136,203	Jan. 23 '64.	24,077,513
Decrease.	$44,553,568	Decrease.	$55,944,750	Decrease.	$14,488,882

* 350,000 of 300 lbs. equaling 240,000 of 440 lbs.

The banks have received during the month the notes for the $50,000,000 loaned Government. Below will be found our usual returns for the three cities brought down to the latest dates:

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan.*, 1864, $————; *Jan.*, 1863, $69,494,577.)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 2,..	$174,714,465	$25,161,935	$6,103,331	$140,250,856	$300,753,147
" 9,..	173,009,701	25,122,002	6,032,546	134,861,977	387,546,217
" 16,..	165,991,170	23,884,264	6,008,182	130,311,046	416,962,806
" 23,..	162,925,880	24,077,513	5,049,807	130,136,203	460,811,543

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan.*, 1863, $38,231,700; *Jan.*, 1862, $38,231,700.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Dec. 7,..	74,741,227	7,728,551	10,620,994	31,635,785	11,905,500	12,230,000
" 14,..	75,251,334	7,659,676	9,733,910	31,036,733	11,905,500	12,230,000
" 21,..	74,848,297	7,573,741	9,704,087	31,391,629	12,371,000	12,457,000
" 28,..	75,634,257	7,532,360	9,517,116	32,371,234	12,412,500	12,636,000
Jan. 4,'64	76,805,343	7,503,889	9,625,043	32,525,679	12,831,000	12,351,500
" 11,..	77,747,734	7,531,195	10,185,615	31,524,185	12,703,600	11,019,000
" 18,..	75,877,427	7,464,517	9,963,389	31,151,240	12,041,000	11,769,000
" 25,..	74,146,000	7,440,000	9,729,000	30,893,000	11,106,700	12,227,000

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan.*, 1863, $11,740,080; 1862, $11,970,130.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Dec. 7,...	36,414,704	4,165,989	2,104,174	29,374,165	3,859,130	1,923,878
" 14,...	35,798,343	4,167,144	2,096,106	28,937,137	4,205,599	2,106,882
" 21,...	35,696,114	4,173,206	2,077,921	29,419,486	4,228,958	2,170,269
" 18,...	35,650,914	4,164,643	2,067,611	29,682,906	4,221,295	2,496,806
Jan. 4,...	35,698,808	4,158,585	2,055,811	29,878,920	4,316,768	2,963,563
" 11,...	35,458,967	4,158,235	2,050,891	30,484,227	4,001,473	2,814,188
" 18,...	34,896,842	4,158,125	2,044,427	31,194,851	4,330,120	3,063,148
" 25,...	34,849,959	4,103,065	2,047,846	32,354,253	3,500,693	2,905,921

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned:

Dec. 7.....	$5,472,113	Jan. 4.....	$6,080,211
" 14.....	5,699,105	" 11.....	6,825,828
" 21.....	5,921,604	" 18.....	9,486,078
" 28.....	6,023,790	" 25.....	9,776,424

EUROPEAN FINANCES.—The Banks of England and France in their last returns show that the reserves of both Banks are again diminishing. The London *Economist* of January 16, says that there has been a sensible "hardening," as the phrase goes, of the discount market, and that "if the present demand for bullion continues, the rate of the Bank of England must soon be raised." The same paper further says:

"The point, however, of capital importance at the present moment is the reduction in the bullion of the Bank of France. It has diminished by so much as £1,765,000 during the month, and yet the Bank has not raised its rate of discount. There seems to be a hope that the new Government loan, which is to be "open," and therefore addressed not only to the general public but peculiarly to the lower classes, will bring in some coin to the vaults of the Bank. But to what a pitch of destitution must a bank be reduced which relies on an anticipation so specu-

lative in itself and so remote from commercial events and considerations. Governments have often relied on a bank to get coin from them, but a bank has rarely expected a government to get coin for it. If we examine the return of the Bank of France, the result is very unsatisfactory.

Notes in circulation of the Bank and branches	£32,589,632
Bank drafts	162,968
Acknowledgments for money deposited	112,460
Public deposits	1,990,360
Private	7,805,972
Total	£42,611,392

Against £6,761,080 of bullion reserve, being only between a sixth and seventh of their whole liabilities. Now if we make up the accounts of the Bank of England in the "old form," the only one which will compare with that of the Bank of France, we find that the liabilities are a little less—42,072,311, and the reserve is twice as great as that of the Bank of France—£13,708,597. The Bank of England has a little less than a third of its liabilities, while the Bank of France has not so much as a sixth. We need not say how dangerous it is at the present moment that the Bank of France should permit its store of bullion to be reduced so low. If the French reserve runs so short, sooner or later the English will be pressed upon. The two banks have, speaking broadly, to meet such a drain as the cotton drain in combination, and if one fails in its duty and permit its resources to be prematurely reduced or exhausted, so much the worse for, so much the heavier will be the drain upon, the latter.

"It need not surprise no one who looks at the recent accounts of the Banks of France and England that the money markets of Paris and London are tight. The reduction in the available reserve, if we go back only eighteen months, is most remarkable. In the middle of 1862 the reserves were—

Bank of England, July 30	£18,438,448
Bank of France, July 30	15,688,776
Combined total	£34,127,219

The present reserves are—

Bank of England	£13,708,597
Bank of France	6,761,086
Combined total	£20,469,687

Being a reduction of nearly £14,000,000. Where all this bullion has gone we may wonder, but with these figures before us we cannot be surprised that we are in want of bullion."

It will be seen from the table below that the minimum rate of discount of the Bank of England was reduced to seven per cent on the 23d of December, so that now the rate in the two cities, London and Paris, is the same.

BANK OF ENGLAND RETURNS.

Subjoined is our usual table, with the returns brought down to January 13, 1864:

WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 2,...	21,685,732	7,234,894	12,924,545	31,980,889	13,048,475	8 per ct.
" 9,...	20,801,207	8,629,856	12,981,276	32,622,659	13,008,617	8 "
" 16,...	20,382,764	9,103,738	13,265,068	32,303,049	13,675,474	7 "
" 23,...	20,273,799	10,266,546	12,711,637	32,270,286	14,217,067	7 "
" 30,...	20,686,538	10,841,991	13,021,212	33,438,154	14,362,605	7 "
Jan. 6, '64	21,322,804	10,001,982	13,052,604	33,486,952	14,196,754	7 "
" 13,...	21,396,420	5,264,097	15,411,794	31,726,575	11,708,597	7 "

The following comparative table of the Bank of England Returns will be found of interest, affording, as it does, a view of the Bank returns, the Bank rate of discount, and the price of wheat in London during a period of three years corresponding with the date of our last returns, January 13:

At corresponding dates with the week ending January 13, 1864.	1862.	1863.	1864.
Circulation, including bank post bills..	£21,460,925	£21,018,849	£21,396,420
Public deposits	4,586,353	4,280,730	5,264,097
Other deposits	16,480,452	16,772,782	15,411,794
Government securities	12,268,618	10,871,348	11,077,159
Other securities	17,144,246	20,196,727	20,555,386
Reserve of notes and coin	10,243,526	8,465,364	7,595,102
Coin and bullion	16,291,626	14,102,169	13,708,579
Bank rate of discount	2½ per cent.	4 p. cent.	7 per cent.
Average price of wheat	61s. 11d.	46s. 10d.	40s. 2d.

COINAGE FOR 1863 AT THE PHILADELPHIA MINT.—The following shows the coinage at the Philadelphia Mint, for the year 1863:

	Pieces.	Value.
GOLD.		
Double eagles	140,000	$2,801,400 00
Eagles	1,248	12,480 00
Half eagles	2,472	12,360 00
Two-and-a-half eagles	30	75 00
Three dollars	5,039	15,117 00
Dollars	6,250	6,250 00
Total	155,109	$2,847,682 00
SILVER.		
Dollars	27,660	$27,660 00
Half dollars	516,460	258,230 00
Quarter dollars	16,490	41,615 00
Dimes	14,460	1,446 00
Half dimes	18,400	823 00
Three cents	21,460	643 80
Total	714,960	$330,517 80
Cents	54,360,000	54,360 00
RECAPITULATION.		
Gold	155,109	$2,847,682 00
Silver	714,960	330,517 00
Cents	54,360,000	543,600 00
Total	55,230,069	$3,721,799 80

STATISTICS OF TRADE AND COMMERCE.

NEW YORK CATTLE MARKET FOR 1863.

THE receipts of animals show an increase of 74,993 head, including 27,317 more cattle, 1,510 cows and calves, 6,240 veals, and 45,645 sheep and lambs; the number of swine reported having been 5,719 less than we reported in our last annual table.

Our statement of average prices shows a marked advance in the rates of all kinds, excepting hogs, which average the same as last year. The greatest ad-

vance appears in the prices of cattle and sheep; of the former, the consumption by the army has been a leading cause, and a large part of the advance in sheep has been caused by the improvement in the price of wool.

Our table of receipts of swine shows a large business, although the numbers are not so large, by a few thousands, as we reported last year. There is every probability that this market will steadily increase the amount of pork packing, especially of bacon sides.

The Erie, Harlem, and Hudson River railroads show a handsome increase in the number of cattle transported by them during the past year.

The receipts from Illinois are larger than those of last year, and she is far ahead of any other State in the list of contributors. Iowa, Connecticut, Michigan, and Canada show a slight gain upon the last year, while all the other States have sent less cattle. The decline in Ohio, Indiana, and Kentucky is owing in part to the direct contributions of those States to the Army of the Cumberland.

We are happy in being able to speak of some improvement in the quality of the cattle which have been marketed here during the past year. At the same time, it has been obvious to every careful observer, that there is still large room for improvement, and if our graziers would use a little more care in the selection of stock, they would be amply repaid in both reputation and ready money.

The following table shows the monthly receipts of all kinds of stock during the year 1863, and the total receipts for each year, commencing with 1858:

	Beeves.		Cows		Sheep	
	New York.	Bergen.	and calves.	Veals.	and lambs.	Swine.
Jan.	15,749	600	393	1,323	25,352	138,413
Feb.	19,225	705	474	1,207	25,273	98,099
March	21,576	593	837	2,594	27,445	79,820
April	18,483	478	851	3,182	18,311	56,516
May	15,858	880	465	3,486	20,288	59,305
June	22,789	996	718	5,513	44,698	56,612
July	17,936	1,380	415	3,512	43,879	39,144
Aug	17,703	2,644	494	3,040	49,914	36,725
Sept.	25,795	5,132	524	3,654	79,098	68,646
Oct.	20 615	3,780	495	3,303	54,144	112,255
Nov	20,289	3,746	557	3,378	61,082	183,358
Dec.	22,674	3,700	518	2,102	61,667	191,641
Total.	238,692	24,634	6,742	36,294	520,951	1,100,035
1862.	227,328	8,681	5,232	30,054	475,306	1,105,754
1861.	206,227	21,002	5,899	33,171	514,587	599,582
1860.	192,922	32,921	7,276	39,687	516,790	320,329
1859.	168,859	37,334	9,515	37,392	506,961	399,119
1858.	164,636	26,651	10,160	32,645	450,027	551,474

By the following table is shown the routes by which beef cattle have come to this market during the last five years. To the Erie railroad statements should be added at least three-fourths of the cattle received at Bergen:

	Erie.	Harlem.	H'n river.	C'n & Amboy.	H. R. boats.	N.J.Cen'l.	N. Y. & N. H.	On foot.
1859.	45,106	12,060	78,140	5,598	17,946	523	72	3,114
1860.	43,882	9,257	82,498	11,668	22,330	12,178	72	1,971
1861.	51.787	32,822	67,190	6,173	16,367	17,071	261	6,446
1862.	55,427	37,046	61,996	1,615	5,665	9,298	174	8,224
1863.	66,009	47,448	76,552	393	7,822	8,470	135	3,952

Cattle marketed at ALLERTON'S drove yards, during the last five years, were received from the following States:

	1859.	1860.	1861.	1862.	1863.
New York	44,089	28,296	29,280	35,958	28,928
Illinois	34,577	63,429	80,445	101,742	117,638
Indiana	8,573	12,182	15,142	16,555	14,040
Iowa	4,119	11,892	11,597	8,707	8,455
Virginia	2,084	1,253	1,117	117	85
Connecticut	598	519	805	410	460
Massachusetts	45	38	67	....	36
Kansas	30	....	....	....	....
Wisconsin	30	146	120	....	59
Ohio	34,943	36,710	36,470	30,635	19,688
Kentucky	15,423	13,174	9,058	9,669	7,682
Michigan	4,032	3,642	4,650	7,225	9,054
Pennsylvania	3,317	2,786	1,109	1,550	746
Missouri	1,012	7,716	3,735	1,729	1,575
New Jersey	596	386	515	411	195
Texas	79	99	58	....	....
Maryland	6	....	....	....	....
Minnesota	45	....	....	....	....
Canada	3,201	2,008	1,131	523	686
Cherokee Nation	52	64	100	....	....

Below we give a comparative statement of the average weekly prices of beef for 1860, 1861, 1862 and 1863; also, statement of yearly average prices of beef and other stock:

	1860.	1861.	1862.	1863.		1860.	1861.	1862.	1863.
Jan. 5	8	8½	8	7½	July 6	7½	7⅝	7⅝	9½
12	8	7½	7⅝	8	13	8½	7½	7⅝	10
19	8	7⅝	7⅝	8½	20	9	7⅝	7⅝	10½
26	8	7½	7⅝	8½	27	8½	7	7½	9½
Feb. 2	8	7½	7⅝	9	Aug. 3	8	7½	7½	8½
9	7⅝	7⅝	8	8⅝	10	8	7⅝	7	9½
16	8½	7½	7⅞	8½	17	8	7½	7½	8⅝
23	8	7½	8⅛	8½	24	8½	7	7⅝	9½
March 2	8	8½	8	8½	31	8½	7⅝	7½	9⅝
9	7⅝	8½	7½	8⅝	Sept. 7	8	8	7⅝	10
16	8	8⅝	7⅝	9½	14	8½	7½	7⅝	9½
23	8½	8⅝	8½	10½	21	8½	7⅝	7⅝	9½
30	8½	7⅝	8	10½	28	7⅝	7⅝	7½	9
Apr. 6	8	7½	7½	10⅝	Oct. 5	8	7⅝	7⅝	8
13	8½	7⅞	8½	10½	12	8	5⅝	7⅝	8⅝
20	8½	7⅝	7⅝	11	19	7⅝	6½	7⅝	8
27	8½	7½	7⅞	10½	26	7⅝	7	7½	8½
May 4	8⅝	8½	8½	10½	Nov. 2	7⅝	6⅝	7⅝	8⅝
11	8	8½	7⅝	11½	9	8½	7½	7⅝	8⅝
18	8	8½	8½	11½	16	8	6½	7½	8½
25	8½	8½	7⅞	11	23	7⅞	7½	7½	8⅝
June 1	8½	8½	8½	10⅝	30	7⅝	7½	7	9
8	8½	8½	8½	10½	Dec. 7	7½	7½	7½	9½
15	7⅞	8⅝	8	10⅝	14	7½	7⅝	7	9½
22	8	8½	8½	10⅝	21	7⅞	7⅞	7⅝	9½
29	7⅝	8	7⅝	10½	29	8½	8½	7½	9⅝

YEARLY AVERAGE PRICES.

	1860.	1861.	1862.	1863.
Beeves, per lb	8c	7⅝c	7⅝c	9½c
Cows and calves, per head	$38 50	$34 77	$34 50	$41 00
Veals, per lb	5½c	4⅝c	5½c	6c
Sheep and lambs, per head	$4 21	$4 54	$4 43	$5 89
Hogs, live, per lb	6⅛c	5⅛c	5c	5c

It should be remembered that a very considerable portion of the fresh meats consumed in this market, which are brought by the North River barges, and in

various ways from New Jersey and Long Island, as dressed beeves, hogs, calves, sheep, &c., are not embraced in the above statement.

SUGAR TRADE OF THE UNITED STATES.

The *N. Y. Shipping List* gives a very full and valuable statement of the importation and consumption of unrefined sugar the past year. The total receipts of foreign raw sugars into the United States, excluding the States on the Pacific, for the year ending December 31, 1863, were 243,137 tons, against receipts in 1862 of 247,015 tons; in 1861, 242,908 tons; in 1860, 341,532 tons; in 1859, 262,829 tons; in 1858, 255,190 tons; in 1857, 269,180 tons; and in 1856, 275,662 tons; and that the consumption of foreign in 1863 was 231,308 tons, against a consumption of foreign in 1862 of 241,411 tons; in 1861, 241,420 tons; in 1860, 296,950 tons; in 1859, 239,034 tons; in 1858, 244,758 tons; in 1857, 241,765 tons; and in 1856, 255,292 tons; while the total consumption of foreign and domestic cane sugar in 1863 was 284,308 tons, against a total consumption in 1862 of 432,411 tons; in 1861, 363,819 tons; in 1860, 415,281 tons; and in 1859, 431,184 tons, being a decrease in the consumption of 1863, as compared with 1862, of 148,103 tons or 34¼ per cent.

This very large decline in the consumption of the country may be attributed partly to the unusual prices the article has commanded, but chiefly to the almost entire exclusion, during the whole of the past year, of a considerable portion of the population of the States in insurrection from all access to this product of the cane; up to the summer months of 1862, the supply needed in those States was drawn from the cane fields of Louisiana, the very bountiful yield of which, in 1861, was far more than sufficient to meet all their wants, but from that period some five millions of the inhabitants of the country may be said to have become emphatically, for the time being, non-consumers.

Owing to the high prices that have prevailed for refined sugar, there has been an increased demand for the low and cheaper grades, and hence the consumption of sugars made from molasses has been much larger than in former years. After carefully collating the information in our possession, we feel justified in stating that not less than 95,000 hogsheads of molasses have been taken by manufacturers, yielding about 21,250 tons of clarified sugar.

The crop of maple sugar last season was a fair average, the unusual value attaching to it having stimulated the farmer to increased endeavors in that direction. If the season had been ordinarily propitious, a very large crop would have been made—the estimates are about the same as last year, say 25,000 tons.

California and Oregon are steadily, though not rapidly, advancing their consumption; from the data at hand, we gather that the quantity of raw taken did not vary far from 10,000 tons.

Sanguine hopes are still entertained with respect to the capabilities of the Sorgho to supply the vacuum caused by the almost total annihilation of the Louisiana cane crop, and the cultivation of the plant is rapidly extending over the Western States; as yet, but little sugar has been made from it, but large quantities of syrup have, and, even in that state, it has interfered very materially with cane sugar in many parts of the country, especially at those points where transportation is difficult and expensive. We may notice also, in this connec-

tion, that great effort is being made in the West to foster the cultivation of the sugar beet, for the manufacture of sugar; the friends of this plant maintain that sugar can be made from the beet nearly as economically as in continental Europe, where beet sugar forms so large a portion of the annual consumption.

It will thus be seen that the consumption of the country of all kinds of raw sugar, the past year, may be put down at 340,500 tons, against a consumption in 1862 of 483,000 tons, being a decrease of 142,500 tons, or 29½ per cent.

As regards the probable course of the market for the year now entered upon, it would seem that, in any event, high prices must rule; it is generally understood that the crop of beet sugar, not only in France, but throughout the Continent, the past season, was much below the average, and therefore a larger European demand will be experienced in the producing countries. Should the crops not be larger than the average, this cannot fail to have an effect on the value of the article. The crop of Louisiana will be merely a shadow of former years; in the present disordered state of affairs there, it is impossible to arrive as closely at the probable yield as we have done previously—the estimates vary from 50,000 to 70,000 hogsheads. The early and severe frosts inflicted, beyond doubt, some injury, perhaps not so large as has been stated, but we doubt if the crop will exceed 60,000 hogsheads; it is understood, however, that of the large crop of 1861 there yet remains upon the plantations a considerable quantity, waiting more peaceful times, and cheaper and safer transportation. It is argued by many that, should the pacification of the country occur during the year, prices must inevitably rapidly recede, as that event would have the effect to bring the currency much nearer the specie basis; but, on the other hand, it is held that in this contingency millions of consumers would at once appear, and the demand thus experienced would quite prevent, for a time at least, any great depreciation in the value of the article.

From these premises, it would seem that the prospect of a demand for sugars of foreign production is at least promising. Since our last annual writing, the Mississippi, the great highway of the West, has been opened throughout its length to the peaceful pursuits of commerce, transportation being thus greatly cheapened, and the supply of Louisiana altogether insufficient for the wants of that section of the country, an increased inquiry for foreign may be reasonably expected from that quarter; the territory occupied by the insurgent population is steadily being narrowed, and the number of consumers thereby rapidly increased. Employment in the loyal States was never so abundant, nor so well rewarded, and though the value of the article is much higher than ever before, the rewards of labor fully keep pace with the increased cost, and if prices do not ascend to prohibitory limits, it would seem probable that the expectations of those who look for a consumption as large or larger than last year, will not be disappointed.

CONSUMPTION OF FOREIGN AND DOMESTIC CANE SUGAR FOR THE YEAR ENDING DEC. 31.

	Foreign.	Domestic.	Total.		Foreign.	Domestic.	Total.
1863..tons	231,308	53,000	284,308	1857..tons	241,765	39,000	280,765
1862.....	241,411	184,600	432,411	1856.....	255,292	123,468	378,760
1861.....	241,420	122,399	363,819	1955.....	192,604	185,148	377,752
1860.....	296,950	118,331	415,281	1854.....	150,854	234,444	385,298
1859.....	239,034	192,150	431,184	1853.....	200,610	172,379	373,989
1858.....	244,758	143,634	388,492	1852.....	196,558	118,659	315,217

THE BOOK TRADE.

Chronicles of the Schonberg-Cotta Family. By Two of Themselves. M. W. Dodd, 506 Broadway.

We do not know who wrote these "Chronicles;" we wish we did, for whenever a book pleases us particularly we naturally turn to the title-page with the benevolent intention of shaking hands with the author, and assuring him of our undying friendship. But here we are disappointed; the author declines to shake hands with a depraved public; preserves a strict incognito, and we feel injured, aggrieved, and somehow as if we had been deprived of our just rights.

Away back in the dark ages, three centuries ago, Elsi's Chronicles of the Family commence; the chapter and the door open simultaneously, and we are introduced to the poor but visionary German father, and printer, who seems to be in a state of abject poverty—unless we except loads of children, of which he has an indefinite number, each of whom he expects will become a Kilmansegg, when the missing link which is to complete his remarkable invention is discovered. But in the meantime, the wolf stands at the door, and the kind, patient, loving mother continues—like the exemplary but severe woman we used to read of in our childish days—to have so many children she don't know what to do, and, as the Kilmansegg estate has not yet been divided, it becomes a pretty serious question as to how three hundred and sixty-five mouths, more or less, are to be filled. At this juncture, Fritz, the eldest son, enters the cloister at Erfurt, with Luther as his guide, friend, and counsellor. Henceforth, the story is interwoven with the life of the great reformer, and we follow him through his entire career, till his warfare is accomplished, and he rests beneath the standard he so nobly bore for half a century. The difficulties, the trials, and the dangers which beset the paths of the two monks, as they groped their way from darkness into light, and the genuine, earnest piety which pervades the entire volume, makes it one of great interest, and we hope it will be extensively read.

Amy Carr. By Caroline Cheesebro. M. W. Dodd, 506 Broadway.

This is a pleasantly written story, and entirely safe to put into the hands of a young person. The triumph of right principles and right views over wrong ones, and the sorrow and misery which follow in the wake of crime, are well set forth in the moral, and show that the way of the transgressor is hard, and that virtue is its own reward.

The Life of Edward Livingston. By Charles Havens Hunt. With an Introduction by George Bancroft. D. Appleton & Co., 443 & 445 Broadway.

We have read this book with great interest, and heartily congratulate Mr. Hunt on his fortunate biographical selection. Beyond the large circle of friends, the life of Edward Livingston has special claims upon the reading public, who will welcome the volume; for his public career is interwoven with our national history. Born while we were yet a colonial dependant of Great Britain, and before our great struggle for a name and a place among nations had even commenced, Mr. Livingston lived to see the dark clouds which bounded our political horizon dispelled, and the frail bark we had launched, with doubting hearts and trembling hands, upon troubled waters, after its

long, tempestuous voyage, glide safely into port. His birth, position, and talents brought him in contact with all the leading minds of the country. He was the friend and fellow-student of HAMILTON, BURR, KENT, and many others who figure conspicuously in history, and whose names men will not willingly let die. As the brother of Chancellor LIVINGSTON—one of the five who were selected as the committee to prepare our immortal Declaration of Independence—he early became familiar with the political interests of the country, its trials, its difficulties and its needs; and, as a member of the American Congress, served it faithfully and ably for the term of six years. The book is full of pleasant reminiscences of a generation which has passed away, but who, while living, struggled and fought for the country which to-day forgets the debt of gratitude she owes them. Among the distinguished guests Mr. LIVINGSTON was in the habit of meeting at his father's house, was the foreigner and patriot, LA FAYETTE, who seems to have conceived a great regard for him—then a mere youth. As a proof of his interest and attachment, we subjoin the following:

"The chivalric young foreigner produced, at the first, an ineffaceable impression upon the mind and heart of EDWARD, who made the most of his opportunity for cultivating a friendship destined to be as enduring as it was pleasing and honorable. Boy as he was, he was several times permitted to leave school to become a guest of the Marquis at head-quarters. How he succeeded in fixing the interest and regard of LA FAYETTE may be inferred from the fact, that when the latter, at the close of the war, was about sailing for France, he had set his heart upon taking the youth with him, and had exerted himself to overcome the objections which had been interposed by Mrs. LIVINGSTON, who, after reflection, had declared that she felt that her son had work to do at home. He could hardly give up the plan; and when his young friend had accompanied him some distance on the road to Boston, whence he was to embark, he impulsively proposed still to take him along, to assume himself all the dereliction, and to insure a pardon from the mother, to be sued for from France. This strong temptation—for EDWARD's inclination rendered it such—was, with some difficulty, resisted. It is impossible here not to speculate upon the total change in fortune and fate which might have awaited the American boy, involved in the orbit of the young French nobleman, destined first to guide a mighty revolution and then to be absorbed by it. But, though the careers of the two friends were thenceforth to be as distinct as their hemispheres, the younger continued to be the other's 'Dear Edward' for upwards of sixty years."

Round the Block: an American Novel. With Illustrations. New York: D. APPLETON & Co. 1864.

The author takes a rather liberal view of life and literature in calling this an American novel, but authors have their privileges, and it is not for us to infringe upon them. We find, moreover, within the book a vast mass of internal evidence which justifies the confident assertion, that the writer is one of those city-born-and-bred men who boast with fond pride that they can tell you every sign on each corner on either side of the way, from Madison Square to the Battery, and that they really do not know a turnep from a carrot. To such a one we pitifully pardon the erroneous notion that three sides of an avenue block constitute America, or all of it that is worth mentioning; we tearfully forgive him for trying to shut out the gentle influences that a good Providence sends to soften the brick-and-mortar severities of city life. Fresh whiffs of the wild sea air *do* blow up from the great harbor; sweet, soft winds float over from the Hoboken hills or the Long Island gardens; glimpses and breaths of nature struggle down from the Park; and even the market carts bring into the dim streets a reviving proof of vegetable growth *somewhere*. But round the block we find nothing of this kind; only sidewalks and gutters, grocers, lamp-posts, policemen, and omnibuses; in its fun, in its pathos, in its plot, in its characters, it is unswervingly metropolitan, corporate, and municipal.

But all this is according to taste. Other defects are not so easily pardonable. In the whole book, there is not one glimpse of good society, one spark of genuine religion, nor one approach to true womanliness, except in purblind Miss HILLBODY, who, though somewhat battish, is good as far as she goes.

In spite of these faults, however (and they are certainly neither few nor slight), the volume is decidedly above the average run of novels. It is capitally written, exceedingly amusing, and very sarcastic, clever and witty. TIFFLES and his Panorama, Mrs SLAPMAN's Private Theatricals, the School-commissioner's Oration, and Uncle QTF's peculiarities, are all excellent in their way, and furnish abundance of entertainment for those who love to laugh.

Philip Van Artevelde: a Dramatic Romance. In Two Parts. By HENRY TAYLOR. Boston: TICKNOR & FIELDS.

There is but little to be said of a work so well known as the one before us, except that it is doubly attractive in its new garb—this goodly apparel of blue and gold, which is making TICKNOR & Co.'s famous little edition a most ornamental appendage to the finest library. To the resolute few who persist in asserting that they can neither read nor enjoy poetic effusions, we would only say that in the preface (which is more justly a finished essay than a preface) they will find enough admirable prose to outvalue the price of the book.

JUVENILE BOOKS.—No. 1. *At Home and Abroad; or How to Behave.* By Mrs. MANNERS.

No. 2. *Pleasure and Profit; or Lessons on the Lord's Prayer.* In a Series of Stories. By Mrs. MANNERS. New York: D. APPLETON & Co. 1864.

Of all life's minor trials there is but one more odious than to be told of your faults, and that one is to have to tell other people of others. The smaller the defect, the harder to speak of; for it is easier to tell a person that he is vicious, when he steals, than that he sputters when he eats his soup. Parents and children get over the difficulty moderately well, but when it comes to pupils, wards, and younger brothers the combat deepens. Conscience whispers, Rebuke them! while Self-love shouts, They'll hate you if you do! So one waits with feeble indecision, and finally runs between two fires to get burned on both sides. To soothe the wounds of both the trainers and the trained, comes Mrs. MANNERS, with a very vigorous, sprightly, and discerning pen, tapping so deftly with her pruning-scissors at young people's monstrosities over *other* young people's shoulders that the wing-clipping is effected without the ruffling of a feather.

The book is intended for the rising generation, but there is nothing whatever in it to injure the mature mind; and if the grown people won't read it, we hope that Mrs. MANNERS will write another expressly for the generation that has already arisen.

In *Pleasure and Profit*, we find a series of pretty, short stories upon the different clauses of the Lord's Prayer. It would, of course, be simply impossible to give the full meaning of this most comprehensive petition within the compass of a child's book, but the narratives illustrate in a pleasant way a portion of its teachings, and suggest a practical and personal application of those prayers which, to many children, would otherwise remain a vague and vain repetition.

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

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THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

MARCH, 1864.

STEAM ON THE PACIFIC OCEAN.

TRADE BETWEEN CHINA AND JAPAN.

H. B. A.

An attempt was made in the spring of 1863, by the American House of Russell & Co., so long and favorably known in the China trade, to establish a line of steamships between Hong Kong and San Francisco, in connection with their other steamers on the coast and rivers of China. Their steamer, the *Robert Lowe*, of twelve hundred and seventy-seven tons and eighty horse-power, made a trip from San Francisco in March, stopping for a few hours at Honolulu, although her Captain did not see fit to enter the harbor, and, of course, obtained no supplies of coal there. The greater part of the way was made under sail, and her passage to Hong Kong was not particularly brilliant. So little encouragement was met with on this preliminary trip, that neither she nor the *Scotland* (of seven hundred and fifty-nine tons, and one hundred and fifty horse-power,) which was to have been the second steamer in the line, were sent back, and, as freights were very much depressed in the Chinese waters, and steamship owners could scarcely find employment for their regular vessels, she remained idle in the Woosing river throughout the summer, and the project was abandoned. There were many reasons for this failure. The vessels of the line were old, unreliable, and notoriously slow, so that no one had much faith in their beating the clippers by many days; it was understood to be an experiment, and some degree of permanency is necessary to form business for a steamship line on so long a route; freights from San Francisco were not plenty at the moment, and several small and fast barks were loading, which had the preference; while, at any time, there is not much valuable freight offering which can pay steamer charges, except bar silver and Mexican dollars, and for some time to come it is not to be expected that this will be otherwise.

But it is not to be inferred from one temporary failure in a favorite project of Americans in California and China, that the importance of a steam line on the grand ocean is undervalued; or that a very long time

will elapse before it will be an established fact, as regularly in operation as the Cunard or Peninsular and Oriental lines. We may look upon this pioneer voyage as a promise for the future, to be fulfilled with the first active resumption of trade, after the settlement of our civil war.

A mail contract from the United States Government, ensuring $300,000 to $400,000 per annum for three or four years would lead to the establishment of a permanent line immediately; and even without such aid, in a very few years, the rapid growth of California and of her trade with China, already considerable, will make such a line a pressing necessity, profitable without the help of government contracts. To start it now such aid would seem to be necessary.

It is needless to comment on the great advantage that would accrue to San Francisco with the growth of her China trade, and the importance of placing her in as close communication with China as is possible, if we desire her to retain the commercial supremacy of the eastern shore of the Pacific. San Francisco papers often allude to it, and San Francisco men are full of it. Steam on the Pacific comes after the Pacific Railway only; in their estimation, and they are so sure that they will have it shortly, that much more of their attention is engrossed by the Railway.

British Columbia (or England herself by direct communication via Panama,) promises to be her rival, strange as this may appear to men whose attention has been absorbed by events nearer home. It is not generally understood what a magnificent territory the vast tract of land, watered by the Red river and Saskatchawan, has been proved to be by recent explorations, since the charter of the Hudson's Bay Company fell in; and that England possesses here a land greater and richer than Canada, occupying a peculiarly fortunate position in comparison with our own western territory.

To connect ourselves with California, we must surmount a desert of at least a thousand miles, and in one sense of the word our Pacific States will always be separated from us by a vast distance. Emigration cannot pass beyond the great valley of the Mississippi and its tributaries. It may begin again from the Pacific coast, and stretch to the eastward, over the Sierra Nevada and almost to the foot of the Rocky Mountains, but there it must stop. A few mining villages may spring up, like Virginia City in Washoe, far out in the desert, but excepting such, (which will draw their supplies from over the mountains) there must always be a vast wilderness, separating the Atlantic and Pacific States, to be traversed only by relays of horses, with stations in the desert as at present, and eventually by a great railway. Just at that part of the continent where our progress westward is stayed, and when the most profound engineering skill will encounter gigantic obstacles in building a railroad, England possesses a finer district than any other in her possession on this continent; fertile, well-watered, and enjoying a moderate climate for so high a latitude, more equable than that of Canada. It is only within the last three years that her attention has been fairly drawn to its great value, and to the important advantage it possess of almost direct water communication, with breaks amounting to scarcely a hundred and fifty miles, from the Atlantic to the foot of the Rocky Mountains. There the headwaters of the Saskatchawan and Frazer river almost meet; the one connecting with the vast system of rivers and lakes by which we have traveled from Lake Superior, the other emptying into the Pacific; there, too, the Rocky Moun-

tains sink to an elevation far below the Southern Passes, and do not present any greater engineering difficulties than have been overcome on the Erie Railway.

The Frazer river empties into the Gulf of Georgia, when the harbor of Victoria on Vancouver's Island is the finest north of San Francisco, with a good channel to the ocean through Juan de Fuca Strait. To speak more correctly, Victoria harbor, itself, is safe for vessels drawing eighteen feet, and ships of that depth can lay alongside the wharf, the only drawbacks to the harbor being several rather sharp turns round the outer point. Esquimauld Harbor, however, four miles from Victoria, is represented to be one of the finest in the world, accessible to ships of all sizes at all hours.

At the point where the Rocky Mountains are to be crossed, in all other parts of the continent the grand obstacle to a railway, they are so low that the head waters of Frazer and Peace rivers, flowing in opposite directions, are only three hundred and seventeen yards apart, and the report of Captain KENNEDY, who was sent by the Canadian Government in 1861, to explore the Saskatchawan valley, declares that no more serious obstacles exist in the other portions of the vast territory, which lie between the Rocky Mountains and the great lakes. The very fact of there being water communication for so vast a distance proves this.

Probably the most serious obstacle to be met with is the depth of the snow for seven months of the year in British Columbia and these Northern Passes of the Rocky Mountains. Victoria is represented as a place where it snows every day and freezes every night during the winter months, when snow is always to be found on any parallel north of 50° often to the depth of three or four feet. In the mountain passes the drifts are often twenty-five or thirty feet deep, and how any railroad North or South, can keep its track clear over such an immense distance, it is difficult to foresee. Where snow drifts to such a depth it would be a work requiring the constant labor of a very large force.

The country east of the Rocky Mountains, in the great Saskatchawan valley is described as a fertile prairie, nearly bare of trees, but possessing extensive fields of coal, which are seen cropping out in the Red river country, and we know that valuable coal beds exist on Vancouver's Island. The climate moderates as we approach the West coast, and the average temperature is several degrees below that of Canada. Both theory and observation point to this, and the winters in the great valley are mild enough to permit the buffalo to remain all the year round; nothing is said about the heavy rains or snows, which, in all probability, fall for at least five months of the year in the country lying between the Rocky Mountains and Lake Winnipeg.

With such a country justly thrown open to English colonists by the close of the Hudson Bay Company's monopoly, and with so tempting a route, during at least four or five months in the year, for certain and speedy communication between Canada and British Columbia, it is to be expected that the growth of the settlements in the great valley of the Saskatchawan will be rapid, and that in time the attention both of the Canadians and English will be directed to this new project for a Pacific Railway. The old Hudson Bay Company has been reorganized with a capital of $2,000,000, and with Sir EDMUND HEAD, the former Governor-General of Canada, as President. Its policy has been entirely changed, and its immense

landed estate, claimed to be upwards of 896,000,000 acres, making it strongly for the interest of the company to promote emigration, and the settlement of the Red river country, as it is called, will be the first object of the new association. Preliminary arrangements have been made by independent parties for providing postal and telegraphic communication between Canada and British Columbia, based upon a five per cent guarrantee of the Colonial Government, and no doubt the new company will both aid and sanction this important work. The project of a Railway through the Company's territories already attracts the notice of far-sighted men in Canada, and is not unheeded in England. The splendid Grand Trunk Railroad of Canada is a half-finished work (as the most sanguine among these men are wont to say,) until it receives its freight from China and Japan; and it must be granted that it is not altogether a speculator's dream.

If such a railway would ensure a shorter route from India and China, or a safer and more certain one, even if only ten or fifteen days were gained in the time from China, it would be of immense value to the British colonies, benefiting the most distant alike.

In view of the great strides taken by Russia towards obtaining power and commercial influence in Eastern Asia, England is extremely jealous of all that affects her standing on that continent, and the vast trade depending upon it. Russia holds territory, as well as England, on the eastern and western shores of the Pacific, and her outlays for railroads by which she can draw towards her the wealth of that ocean is enormous. Her communication is rapid and certain now, although her couriers must cross Siberia and the great desert of Cobi. The treaty of October 24, 1860, was known at St. Petersburg two weeks before the bearer of despatches from Lord ELGIN could reach London by rail and steamer. Russian cloths have supplanted the Spanish and German in Chinese markets, although carried over the Ural Mountains through Siberia to Kiakhta, and thence by the Chinese over the deserts for thirteen hundred miles before they reach Pekin. Russia at this moment is the only power in Europe on cordial terms with Japan, because Russia has always been careful to show this proud people her power, even when not seeking to trade, by keeping a respectable force in Japanese waters.

She is making quiet, but gigantic efforts to connect St. Petersburgh with the Pacific ocean,* by opening the Amoor river, which is navigable

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* The Amoor is 2,500 miles long, navigable for vessels drawing less than twelve feet, the seventh of the great rivers in the world, draining 583,000 square miles. This great basin although a fine grazing country, contains a population of less than 80,000.

The Tablonac Mountains, rich in iron and gold, in forests of oak and other timber, protects the valley to the north, so that the climate of the lower part is quite mild. At Nicolaiock it is bad, the mean annual temperature being 39° 42′ Fah., and the difference between the average summer and winter temperature 58°; but at the southern bend of the river (latitude 47° 42′ N.,) Mr. Atkinson states that the plains are adapted even to the cultivation of cotton. Mr. Tilley, another of the few Englishmen who have traveled here, speaks of the grape as indigenous and needing only care on the sunny hillsides to make excellent wine.

The history of the acquisition by Russia of the valley of the Amoor, and the greater part of Manchouria, is a curious one, China having been cajoled out of her territory

for two hundred miles, by putting steamers on Lake Baikal, a body of water as large as Lake Erie, and by an expenditure equal to fifty millions sterling on railroads which will reach to the Ural Mountains. Since the Crimean war Russia has made great strides towards becoming a commercial power, and if, by concentrating the mighty resources of her empire, she can divert a large portion of the great China trade across the Continent of Asia, and distribute the teas of China to Western Europe from the market of St. Petersburgh, without carrying them twice across the equator, the profits will be worth the prodigious expenditure of money and labor which such an enterprise involves. We must take into account the greatly superior flavor of teas transported across the land, without exposure to sea-air damp and the heat of a long voyage in which they are twice carried the breadth of the tropics. Travelers tell us that

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by the Russian diplomacy. The Chinese, since 1689, had held the river with extreme jealousy, had driven off the Russians, demolished their forts, and effectually excluded them; but, in 1858, shrewd advantage was taken of the Chinese rebellion, and the English war, and later, in 1860, of the panic arising from the occupation of Pekin by the allies, to extort this province under cover of friendly service in meditation. Now that she has gained it, Russia has gone vigorously to work, and has not only fortified the ports of the Gulf of Tartary, but has established the nucleus of a navy in the Pacific.

Its importance will at once be seen, for with the possession of the Amoor, the chain of communication from St. Petersburg to the Pacific can soon be made complete The connection between the Baltic and the Caspian is already secured, and it now requires only two hundred miles of canal to connect the Caspian with the Pacific.

Although it is objected that Nicolaiosk, the great port of eastern Siberia, twenty miles from the mouth of the Amoor, is a worse harbor than Cronstadt, being frozen seven months of the year, Russia has several fine ports, open all the year, on the island of Saghalien, which she has managed to wrest from Japan, and beds of coal there sufficient for her steam-navy of the Pacific, which, in 1861, consisted of twenty-two ships, mounting one hundred and fifty-eight guns. There are, also, excellent harbors in the Gulf of Tartary in that great province of Manchouria, her diplomacy obtained from China, which can be connected by rail with the Amoor before it turns to the north, and where, in consequence, navigation opens earlier. One of these, the Bay of Olga, open at all seasons, is only one hundred and fifty versts (ninety-nine and a half miles,) from the Usuri, a large and navigable branch of the Amoor. Port St. Vladinin is described by M. Ravenstein as the finest on the coast, having ten fathoms, and these inlets easily entered, besides offering great advantages for building and refitting ships.

It would be significant, too, (if space would permit,) to observe the stealthy steps of Russia on the great plains of Tartary, and to mark the influence she is acquiring over the Kirghis hordes, of which Mr. Atkinson, who has lived among them, says that one tribe alone—the Kara Kirghis—can muster 40,000 cavalry. These hordes are the Cossacks of Asia, and it is not improbable that they will yet perform similar service for Russia, or protect her in her designs upon the Pacific. If Russia is ever to be a maritime nation it will be in that ocean where Admiral Kruzenstein won his laurels, and it is all important to her that her communication between the Pacific and the Baltic, a distance of eight thousand miles, should be beyond all reach from without or border disturbance.

nowhere out of China, certainly nowhere else in Europe can such excellent tea be procured as in Moscow and St. Petersburg.

Viewing this activity, lately sprung up, on the part of Russia, in connection with the jealousy of Great Britain in respect to all rivalry in eastern Asia, any project for shortening the distance, however expensive, by which her power there will be increased, and by which the products of the East could be distributed by herself or her Colonies, even on the Atlantic seaboard and interior of the United States, would be looked upon with favor; and it is well worth the attention of the American people, and the American Government to strengthen in every possible manner our State of California, and her magnificent seaport of San Francisco—a harbor which seems given to man for the commerce of a hemisphere.

This can be best effected by a speedy attention to the work of the Pacific Railway, a work which must remain in abeyance while a faction of slave-owners holds our Southern States in rebellion, and until it is accomplished by encouraging the trade growing up between California and China, by supplying it with the only certain and rapid means of communication—a line of steamers.

The effect of such a line upon the future of the Sandwich Islands is by no means to be despised, and as these islands are likely to become in a few years of much more importance and value than they are at present, it would be well to consider in what way their prosperity would affect us.

The Sandwich Islands are destined to be the Cuba of the west coast. Their position is peculiar; they are inhabited by a people who are fast disappearing from among the nations of the earth, even more rapidly than the North American Indians; they are governed by a feeble monarchy, modelled after that of Great Britain, and at present powerfully influenced by a ministry composed mostly of Englishmen; while the white population of the Islands is largely made up of American citizens and their descendants. Their natural connection in trade is with the American coast of the Pacific, although for many years they have been intimately connected with the whaling ports of New England, and in consequence the amount of American capital invested there largely exceeds that of all other nations. As long as the present monarchy stands, and a respectable number of the native race remains, all will go on well enough; but it is hopeless to expect that this can be the case for many years to come; while the rapid growth of California, and the increasing interests of England in British Columbia and Vancouver's Island, owing to the gold mines of Frazer river and the coal beds of Victoria, to say nothing of the vast forests of timber which are yet to find their way to the comparatively timberless lands of China, will render these islands of greater importance to each nation as the years roll on.

That the English residents near the Hawaiian court, in office and out, are so playing their cards as to obtain, if possible, from the feeble and failing monarchy, a tender of the islands in due time to the British crown, there can be little doubt to any one who has watched the course of events of Honolulu of late years. The first step would be to create a Protectorate, as was attempted at the Fiji Island and Tahita, an easy and decent move when the native population is so feeble, and the foreign so likely to outnumber it before many years. The great obstacle to their schemes would be the interests of the large majority of American citizens, who had settled in the kingdom, and who are rapidly obtaining the estates held by

the old chieftains, and turning them into sugar plantations. The surest way to bind the Sandwich Islands to American interests, and to retain them as they are now, an outlying colony of California, is to encourage emigration from that State by the frequent and intimate connection afforded by a line of steamers. They are sure to be occupied soon by citizens of some nation, or of all, from the tempting profits of sugar-growing, profits which can be made to equal, if not exceed, those of Cuban estates. But one element is wanting to make them even more profitable in the future—an abundance of cheap labor; and nothing would tend more to promote this than frequent and rapid communication with China. Coolie labor must eventually be used here; it is true that the present ministry has prohibited the importation of Coolies, but if Coolie labor can be profitably carried round the Cape of Good Hope* to Cuba, a passage, when made in winter, equal in its horrors and excessive mortality to the awful middle passage of the slaves, it would seem unwise and suicidal to exclude it from Hawaii whenever the extent of the plantations shall create a pressing want for it. To call it slavery and talk of the horrors of the passage to Hawaii is all cant. The Coolie works out his passage money and is free ever after—apprentices do as much, and are not slaves; the passage from China to Honolulu is as pleasant as any voyage in the world, and when the poor fellow gets there, his lot is that of Paradise compared to life at home on three pounds sterling per annum. There are many Chinese now in Honolulu, and some are even conducting sugar-plantations; one cargo of Coolies was landed on Kauai some years ago, when the ministry became alarmed, and checked immigration—but whenever the necessity for Coolie labor is really apparent, as it is likely to be in a few years, no legislation can keep the laborers and the Chinese capitalists themselves away. The ministry, in their anxiety to shield the Kanakas from Chinese competition, have forgotten that of late years the Chinese, harassed by internal wars, have become a colonizing nation, and wherever they have planted colonies they have remained in spite of the most violent opposition. Such laws are scarcely worth the paper they are written on. Thus far the native labor has been adequate for the limited wants of the planters, the cultivation of the sugar-cane, although indigenous to Hawaii, being yet in its infancy, and this law has never been really tried.

The attention of the American people has never been fully directed to the value of these islands for the cultivation of sugar. Although they have an area of arable land far exceeding that of Mauritius, and very fertile, and are on the same parallel of north latitude that Mauritius occupies of South, with superior advantages in every respect for the cultivation of the cane—besides the enormous advantage of freedom from hurricanes or cyclones, which sweep over Mauritius with awful force—their production is not *one-eightieth* part either in amount or value. Speedy, cheap, and regular communication with San Francisco would soon increase this amount prodigiously under the stimulus of American capital and American emigration.

By these remarks on the real value and peculiar position of the Sandwich Islands, it is not meant that any encouragement should be given to filibustering, or any of the disgraceful ideas that characterized the dealings

* The passage around Cape Horn from China to Cuba is never made now-a-days.

of the slaveholding ports with Cuba, before that party, by its suicidal conduct, lost power in the American Union; but simply to point out the fact that the present nation in whose name the Sandwich Islands stand is in a feeble and almost dying condition, that it must soon give up the ghost, and before it expires will devise this fair land to some foreign power; to England, if, by the intrigues of her resident citizens who watch by its bedside, she can be appointed attorney in illness, heir when dead; or to the United States, if citizens of the United States, by actual colonization become the owners of the land. The nation would thus graudally change from Hawaiian to American without violence or revolution, and thus far the Americans have the majority of the foreign population. Indeed, it is probable that they equal all other nationalities put together. They are orderly and peaceable, with scarcely a thought among them of a revolution of the government; they knowing well that while the natives outnumber them as twenty to one, and most of the offices of law and politics are in their own hands, it would be folly to agitate such schemes. The mild, constitutional monarchy is directed solely to the administration of justice, the greatest order reigns throughout the kingdom, and no well-conducted white man has any serious grievances to complain of. Attempts at filibusterism or annexation would be criminal folly, such as the law-abiding planters, missionaries, and merchants would never countenance. At the same time it is felt that the Hawaiian nation is hopelessly decaying, and that if English intrigues are successful in turning this settlement founded by American missionaries into an English colony, gross injustice will be done to the Americans, who are by far the larger proportion of the owners of the soil.

The attitude taken by Mr. FILLMORE towards these Islands was, that the United States had no desire to annex them; that they belonged to a different race, brought from heathenism, it is true, by American colonists, but now able to govern themselves, and that they ought to govern themselves. He was right. The islands would have been a useless incubus at the time, and their experiment of self-government has been eminently successful. But it could not arrest the decline of the native race, which seems inevitable on contact with the white man, although no decaying people has ever had a fairer chance to preserve its nationality. The question now arising, or soon to arise, is of an entirely different nature.

When the feeble remnant of the Hawaiian nation becomes extinct, to whom will the islands belong?

Clearly, if any nation has a right to them, by colonization, by possession, by affinity to her coasts, and by capital invested in their improvement, it is the American. Let us see to it that we keep all these advantages in the future, and increase, by every possible means, the connection of the group with our Pacific coast.

But why take so much trouble about a little group of islands, the largest of which is only sixty miles long?

Their position in the Pacific, and the great width of that ocean, make them of a relative importance out of all proportion to their size or productions, although it has been shown that these, sugar especially, can be made of no mean value.

The voyage from California to China, by sailing vessels, consumes, on the average, sixty days. MAURY says sixty-four, but it is frequently made in fifty-five at the present day. From San Francisco, *via* Honolulu, to Hong Kong and Shanghai, the distances are respectively 7,000 and 7,500

miles, and the voyage would take a propeller, traveling by wind and steam, about thirty-five days. It is too long a voyage for a vessel to make by steam alone, unless she carries so much coal as to swallow up all her profits, so that all steamers traversing the Pacific will be obliged to call at Honolulu, on the westward voyage, to fill up with coal for the longest stretch of her journey. Depôts of coal could be easily formed there by colliers from Vancouver's Island, where there are large beds of excellent quality. No quantity could be obtained at Honolulu at present, very little fuel being required in that equable climate; but much of the wood used for building purposes throughout the group is brought from Puget's Sound and the Columbia river, a distance almost as great as it would be necessary to transport coal. It is therefore seen that Honolulu would be an important station for any line of steamers traversing the Pacific, and the facilities for obtaining supplies which would soon spring up would contribute materially to the success of the line. The harbor is safe, and easily accessible, the channel through the reef is well buoyed, and the wharfage facilities quite adequate for any trade likely to be found there for ten years to come. Although the Sandwich Islands are 17° south of San Francisco, and 11° south of Shanghai, the great apparent deflection to be made by vessels touching there is, in reality, no deflection at all, for the prevalent winds compel all vessels from California to China to pass within a hundred miles of the group. The winds blowing into the harbor of San Francisco, for nine months of the year, are strong northwest gales, and any vessel going west is compelled to run down as rapidly as possible on the starboard tack, until in the latitude of 30° north. It would be useless to beat or steam against these gales; they blow with greater force in this ocean than in the Atlantic, in the same latitude. From Lat. 30° to about Lat. 27° north, are variable winds and calms, which a steamer would soon dash through, but which sometimes detain the sailing ships four or five days. Passing the variables, a ship finds herself in strong northeast trades, blowing with steady power all the year, and at times stretching as far south as 5° north latitude.* They are strongest about the parallel of 20° north the parallel which cuts Hawaii, varying with the season for two or three degrees in either direction. The northeast trades of the Pacific are steadier than those of the North Atlantic; they are very much like the fine southeast trades, from

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* Kerhallet, in his "Considérations générales sur l'Océan Pacifique, 1856," gives the following table, from observations of ninety-two vessels:

	Polar Boundary of the N. E. Trades. N. lat.	Polar Boundary of the S. E. S. lat.	Equatorial of the N. E. Trades. N. lat.	Equatorial of the S. E. S. lat.	Breadth of the belt of calms.	
January.....	21° 0′	33° 25′	6° 30′	5° 0′	3° 30′	
February....	28 28	28 51	4 1	2 0	2 1	
March.....	29 0	31 10	8 15	5 50	2 25	
April.....	30 0	27 25	4 45	2 0	2 45	
May.....	29 5	28 24	7 52	3 36	4 16	
June.....	27 41	25 0	9 58	2 30	7 28	
July.....	31 43	25 28	12 5	5 4	7 1	
August.....	29 30	24 18	15 0	2 30	12 30	Doubtful.
September..	24 20	24 51	13 56	8 11	5 45	
October.....	26 6	23 27	12 20	8 32	8 48	
November...	25 9	28 39	.. ..	. ..	. ..	
December...	24 0	22 30	5 12	1 56	3 16	

the Cape of Good Hope to St. Helena, but they never rise to the power of the grand trades of the Indian Ocean. Still, a ship or steamer, if she, is careful to keep in their center, is sure of fine weather, a fresh breeze, and a quiet sea, for at least 4,500 miles of her voyage. Most of those who suppose that the great breadth of the Pacific has always been the most serious obstacle to steam operations, thinking only of the tempestuous North Atlantic, and the powerful machinery needed for quick passages there, forget that, for so long a portion of the voyage, steam would be only an auxiliary to be used in an emergency, such as a day of light wind. If a propeller was provided with an abundance of studding-sail gear, she could sail more rapidly than she could steam, for at least half the distance from California to China. Keeping in the center of the trades until after she had passed the Marianne Islands, or about 140° east longitude, she could then head directly for Shanghai, using her machinery from meridian 130° east until in the Middle sea (often confounded with the China sea), where, for six months of the year, she could run into port, with the southwest monsoon blowing, at the rate of nine knots per hour. We say Shanghai, for reasons to be explained hereafter, believing that port to be the best terminus for a line of California steamers. On the return voyage, it would not be expedient to call at the Sandwich Islands, if it could possibly be avoided. If it was deemed advisable, she might touch at one of the ports of Japan—Yokuhama, for instance—and start from thence with a full supply of coal. Sailing from Japan to the eastward, she could use the Great Circle route with advantage, shortening the distance to 4,500 miles, with strong westerly winds. The southwest monsoon would aid her for six months in reaching Japan, and she would at all seasons always have the advantage of the Kuro-Siwo, or Japanese gulf stream, which sweeps past Japan as the gulf stream of the Atlantic sweeps past the coast of the United States, its powerful current having been felt as far east as 140° west longitude, although its limits are not yet well defined. If a steamer could make this distance of 4,500 miles, by sail and steam, in twenty days, and carry coal enough for the trip, no deflection from her direct course would be necessary; but in case of stormy weather, especially in winter, the turbulent sea navigators report in these high latitudes would make it a task for a powerful and well appointed steamer. By stretching more to the southward, milder weather and a smoother sea would be found, in a few days' steaming; but more coal would be burnt in contrary winds and calms. Whether any steamers likely to be used in this trade could make such a stretch, with a succession of heavy gales and a confused sea, without coaling, is a question that can only be answered by experience; but it is not probable that any line of steamers would be able to run, without frequently stopping at Honolulu, although it should be their aim to avoid doing so. Commodore TATNALL, in the *Powhatan*, with the Japanese Embassy, in 1860, tried to make the trip from Kanagawa to San Francisco, direct, with coal for twenty-four days, but was obliged, on the twentieth day, to put into Honolulu to fill his coal bunkers. Although compelled to turn back, in this case, by which she lost two days, the *Powhatan* made the trip from Japan to California in thirty days' steaming. In any event, the deflection to Honolulu would not consume more than four days, and in all probability the eastern trip from Shanghai can be made with ease, under favorable circumstances, in thirty days. Sailing vessels sometimes

make it, starting with the fair monsoon, in forty-two days, and some clipper will yet make the voyage in thirty-five. We will allow that small propellers, which are the class at present best adapted for this trade, will be compelled to call at Honolulu for coal, both coming and going.

To recapitulate the advantages possessed by these routes, for vessels with steam as auxiliary:—

In either direction, it would be safe to count on ten or fifteen days of strong and fair winds, in which sails alone would be required, and on six or seven in which little aid would be needed from the machinery.

In the tradewind zone the steady action of the winds, and the equatorial heat, make a favorable current, varying from fifteen to forty miles a day. On the return voyage, the Kuro-Siwo or Black Stream, so called from its dark blue water, like that of the Gulf Stream, runs from the Loo Choo Islands, along the coast of Japan, and northeast toward the Aleutian Islands, with a velocity varying from twenty-five to eighty miles a day, the mean from the Loo Choo Islands to 140° west longitude being about thirty-five miles. On the coast of California there is a southerly set of fifteen miles a day. On both trips, the wind being abaft, the swell of the sea is favorable.

Indeed, there is no other long route in the world where the advantages are so uniformly in favor of the ship. The nearest approach to it is that between England and Australia, a very much longer route, but one on which "auxiliary" steam screws ply with success.

Such being the route, it would be well to consider what kind of vessels are best adapted to it. There is a class of propellers on our northern lakes, starting from Cleveland, of about six hundred tons, which seem to combine all the requisites for this trade except that they have the schooner rig, which will not do for vessels intended to spread every inch of canvas in the tradewinds. Give them the bark rig, with iron masts and spars, and plenty of studding-sail gear, and they are just the thing. The northeast trades blow from east-northeast and east-by-north nearly aft, and do not shift more than a point for days together. After passing the meridian (180°), at certain seasons, they draw more to the eastward, and again blow as steadily at east and east-by-south. These propellers consume little coal, have good passenger accommodations, and their light draft makes them all the better, for after they become unfit for sea service they would be admirably adapted for the Chinese rivers. Their tonnage would do for a beginning. Let them only make regular and tolerably rapid passages, and very soon such a trade would be built up as would call for the largest and best ocean steamers which money can obtain. Whatever class of steamers may navigate the Pacific Ocean, they must, to be economical, be modified to profit by the strong and steady winds which give an advantage, while they last, to the sailing-ship over the steamer.

(To be continued.)

THE AGE OF GREENBACKS—DEBT AND CURRENCY.

ARE WE PROSPEROUS?*

SECTION 1. Throughout the loyal States the hum of human industry is heard, labor is fully employed, human skill and ingenuity are opening new channels of production, new schemes and enterprises are constantly brought forward and prosecuted with energy, trade is active, and money plenty; and, everywhere, in the marts of trade, in the legislative hall, at the stock exchange, and the political gathering, are heard rejoicings over our prosperity.

Remote from the scene of conflict between contending armies, ignorant of the horrors of war, and experiencing but little inconvenience, and, as we think, large profits from its destructive powers, we are living happily under the impression that we are "prosperous," and are, to an alarming extent, indifferent respecting its speedy and successful termination.

2. Our so-called "prosperity" has had the effect to draw off our attention, allay our excitement, quiet our fears, and stupefy our sensibilities relative to the great conflict in which we are engaged; and the principal reason why men do not volunteer with alacrity is because of this delusive prosperity which abounds at home. There is no want of able-bodied men, for our streets are filled with them; but it is because neighbors, friends, and companions are supposed to be making their fortunes by speculations, or because labor is completely supplied with steady employment and high wages, that even the heavy bounties provided do not offer sufficient inducements for men to enter the service. Thus it is that this nominal prosperity, which is, to a great extent, the product of the war, is the proximate cause why war languishes for want of men to fill up its armies.

3. It appears to me, however, that this "prosperity" is, to a great extent, a popular delusion, that it rests upon a fictitious basis, and although presenting to the public mind a specious and plausible appearance, when clothed in its "glittering generalities," it is nevertheless imaginary rather than real, and illusive rather than actual. Believing thus, and entertaining the conviction that the only way to secure prosperity is by securing

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* The prevalence of erroneous impressions relative to our real condition, the tendency of which is to encourage general extravagance, excessive importations, and a prolongation of the war, has induced me to give expression, in the following, to a few thoughts upon the subject, based, as I believe, upon right principles, for the purpose of correcting popular misapprehension, and arousing the public mind to the consideration of the actual condition of our affairs, the right appreciation of which is so essential to our prosperity as a nation.

In speaking of the North, says Mr. COBDEN: "They are mistaken if they think they can carry on a civil war like this, drawing a million of men from productive industry, to be engaged in the processes of destruction, to spend $1,500,000,000, they are deluded if they think they can carry on a war like that without a terrible collapse, sooner or later, and a dreadful prostration in every part of the community."

A. W. S.

the speedy and successful termination of the war, it seems desirable that some effort should be made to check the spread of this popular error, and bring the public mind to a more correct appreciation of our true condition.

4. Apparent prosperity generally precedes disaster. In our own history we have experienced severe monetary disasters, the most, if not all, of which have been preceded by great apparent prosperity, the sequel of which proved conclusively that our nominal prosperity was, to a considerable extent, a phantom, as it resulted in disaster to thousands who were deceived by its pretentious appearance.

5. In attempting to correct a popular error, I am aware I have a difficult task to perform; for popularisms, when they are supported by so many superficial appearances, and harmonize so beautifully with our feelings and desires, are with great difficulty overthrown. I approach the subject, therefore, reluctantly. So general is the belief in "our prosperity," its superficial appearances are so fascinating and bewildering, that it seems almost unkind to disturb the tranquil course of thought by endeavoring to look beneath the surface.

6. In what does true prosperity consist? A short and, I believe, correct answer is, in the productive employment of labor. For it is by the labor of the people that all subsist, and, when that labor is actively and productively employed, when the capital and skill of the nation are united with the industry of the country in acquiring the greatest possible amount of produce, then it is that the nation may be said to be truly prosperous, and to become wealthy to the extent of its surplus products. Conversely, it must be admitted that, when a large proportion of people are non-producers, and another large proportion are engaged in unproductive employments, that people cannot be said to be truly prosperous, as it is by the unproductiveness of labor that nations decay.

In dealing with this question, I wish to abstract it from all political relations and associations, and view it, so far as it relates to the wealth and productive prosperity of the country. It is, therefore, material and not political prosperity which we are to examine.

7. According to common report, we have nearly one million men in the service of the Government. These men, with thousands of office-holders, are non-producers, and the value of their labor is an absolute loss of productive capital to the country. Then, we have nearly a million engaged in unproductive employments, or, in other words, the manufacture of the materials of war, which is like the complete destruction of so much capital, so far as any increase of wealth is concerned.

Says J. S. MILL, "By unproductive labor will be understood labor which does not terminate in the creation of material wealth; which, however largely or successfully practiced, does not render the community and the world at large richer in material products, but poorer by all that is consumed by the laborers while so employed."

Our immense armies are, therefore, not only non-producers, but are destroyers and consumers of the capital of the country. And, while other labor produces more than it consumes, these classes produce comparatively nothing, involving a loss to the country, not only of the productive labor of these large classes, but also the losses which arise from waste and destruction of material incident to war.

A vast amount of real capital or wealth is thus withdrawn from pro-

ductive employments, and annihilated. A value is thereby taken from the community without its receiving any in return, and that value is destroyed.

8. Government consumption, therefore, unless spent upon internal improvements, or other useful objects, is destructive of capital, and differs entirely in its character from the consumption of the community; for, in the community, the consumer reproduces by his labor more than he destroys, whereas, the Government, being a consumer and a non-producer, extinguishes the capital it consumes, and reproduces nothing. When speaking of capital I do not wish to be understood as referring to money, for paper money is not capital; but, by capital, I mean the accumulated product of man's industry, available for his support, or which will produce other commodities.

Paper money is simply a medium of exchange for the transfer of commodities from one person to another; and, when the Government calls for a loan, it does not want money, but really wants commodities to consume and to destroy.

"Nations," says J. B. SAY, "never borrow but with a view to consume." He also says, "War costs a nation more than its actual expenses; it costs, besides, all that would have been gained but for its occurrence."

9. Had capital or commodities not been loaned to Government, they would have consumed reproductively, instead of unproductively, and the wealth of the nation would have been thereby increased.

"All material products," says MILL, "consumed by any one, while he produces nothing, are so much subtracted, for the time, from the material products which society would otherwise have possessed."

Labor and industry are, therefore, great promoters of wealth and prosperity, and if we wish to increase our wealth, or attain real prosperity, we must not only have our labor industriously and actively employed, but it must be employed profitably, in producing those material products which are valuable to society.

In spite of all this, it may be said, nevertheless, we are prosperous; for it is apparent to every observer.

10. Now, having discovered some of the elements of true prosperity, let us specify some of the characteristics of this apparent or specious prosperity. In relation to it, Dr. WM. ELDER says, "The knowledge of our immensely enhanced activity in all branches of industry is brought home to everybody in the Free States, by the almost perfect distribution of its benefits."

"It is estimated that the manufacturing industry of the present year (1863), in the loyal States, is nearly equal to that produced in 1860, and when we consider the loss of our Southern customers, who took six times more of our products than all the world besides, such results awaken wonder." Other significant signs of prosperity are said to be the millions of property liberated from incumbrances, the large increase in number of depositors and deposits in the Savings Banks, the abundance of money, and property on the rise.

The above are some of the prominent indications of this prevailing prosperity.

11. Now, considering the character of a gigantic war, in its consumption of products, its immense destruction of material, and its consequent enormous expenditures, it cannot be considered very surprising or won-

derful that the remaining labor should find employment, and that nearly all branches of business should experience "enhanced activity." Hence, before adopting the conclusion that all this manufacturing industry and apparent wealth is proof of our prosperity, it would be well to examine into its causes and results.

The great primary cause is the demand of the Government upon the farmer, the woolen manufacturer, the ironmonger, the papermaker, the tanner, and other artisans and producers, too numerous to mention, for the supply of a large army in the field, and a large army of public officials out of it, which inevitably furnishes a constant stimulant to traffic, the effects of which are felt throughout the whole fabric of society.

It is thus that the loss of our Southern customers, who were producers, is made up. An army of government customers, who are non-producers, have taken their places at the marts of trade; and hence, instead of obtaining *products* in exchange for our commodities, we are receiving *debt*, or mortgages upon the property of the people, and this is called prosperity.

That the expenditure of hundreds of millions of dollars per annum, with the withdrawal of a large army of laborers from productive employments should stimulate industry and "enhance its activity" is not, therefore, a matter of so much "wonder;" while the assertion that such a condition of things is an evidence of prosperity must be a great error of judgment.

For instance, suppose a nobleman, possessing a large estate, occupied by one thousand laborers, should authorize his son to withdraw a considerable portion of them from their productive employments to indulge in idleness, while another portion were engaged in the manufacture of materials which those indulging in idleness destroyed, we should readily perceive that the remaining portion would be actively and industriously employed in providing for themselves and for the large body of their fellow-laborers withdrawn from productive employments. Then suppose the son to be short of money, and, by an agreement and with the indorsement of his father, is allowed to issue promissory notes and bonds to sustain his prodigality,—could that estate be termed prosperous? Would it not be a specious or imaginary prosperity, because created and sustained by debt? Is it not, in some aspects, a fair illustration of our position? Is not this gigantic war, and its consequent enormous expenditures, by promises to pay, the mainspring of our present national industry? And is not this national industry created and sustained by debt?

12. That this war, and consequent war debt, is the mainspring of our present national industry, and the symbol of so-called prosperity, I need only refer to the able Report of the Bank Commissioners of Massachusetts for 1862, who, after a thorough investigation, say, "It becomes necessary to show the effect of the war on the business of the Commonwealth:—

"At the breaking out of the rebellion, it was feared that the business of the country would be entirely prostrated, and the banks, which make their gains out of the activity of trade, expected to be the greatest sufferers. Neither of these fears has been justified by the event. Seldom, if ever, has the business of Massachusetts been more active or profitable than during the past year. *The war* has brought into activity many

mechanical employments for which there is little occasion in time of peace; such, for example, as the manufacture of arms and ordnance, camp and garrison equipage, saddlery and artillery harness, and military clothing and accoutrements. It has also greatly stimulated the manufacture of boots and shoes, and of woolen goods; while the subsistence of the army has furnished a constant and remunerative market for breadstuffs and provisions. There is hardly a branch of domestic industry which has not been actively employed. * * * * * Nor has the condition of the operatives deprived of their usual employment been materially impaired. So great has been the draft upon the male population to fill the army that there has been an unusual demand for men's labor in other directions, while female operatives have found occupation in the manufactories of clothing, etc.

"The railroads of the Commonwealth were never more profitably employed, and they have made larger dividends, and their stocks have borne a higher price, than at any former period. The vast grain crops of the West have sought a market on the seaboard or in foreign countries, and having been deprived of their usual water-carriage by the closing of the Mississippi have poured through the canals and over railroads leading to New York and Boston. The carriage of troops and army supplies has, also, furnished a considerable business, even to the New England roads, while those of the Middle and Border States, leading toward the seat of war, have been completely occupied with the new traffic.

"The loss of the cotton crop, and the closing of the seaports and great rivers of the South seemed likely to destroy the occupation of our mercantile marine; but here, again, new channels of business have arisen, and anxieties have been dispelled. The necessity of transporting great bodies of troops from point to point along the seaboard, and of furnishing them subsistence, has called into the service of the Government a vast fleet of transports, for the hire of which the owners have received rates of compensation greatly exceeding the ordinary profits of commerce.

"Every steam vessel, capable of navigating either the ocean, or harbors and rivers, has been thus employed; and many more, previously regarded as worn-out, and no longer seaworthy, having been flimsily repaired, and made to pass through a hasty and corrupt inspection, have gone out laden with valuable property, or invaluable lives, to be wrecked or rescued, as the chances of weather or as skilful seamanship might determine. The shipyards, both public and private, have been worked to their utmost capacity, in the construction of iron-clad gunboats and other vessels of war; while machine-shops, rolling-mills, and foundries have been equally busy in building their engines, rolling their armor-plates, and casting their guns. Nor has foreign commerce greatly declined, the grain trade and the imports of munitions and arms having come in to supplement the loss occasioned by the detention of cotton. * * * * IN EVERY DEPARTMENT OF LABOR THE GOVERNMENT HAS BEEN DIRECTLY OR INDIRECTLY THE CHIEF EMPLOYER AND PAYMASTER."

Such is the decision of our Massachusetts Bank Commissioners, that it is debt, national debt, the consumption and destruction of so much of the capital of the nation, which amount—an incumbrance upon the property of the people—has produced this industrial activity.

13. Whereas, in former times, every addition to the stock of one man's

produce created a demand for another man's produce, and that was the constant stimulant of national industry and wealth, now a new element in political economy has been discovered, in which nearly every addition to the stock of one man's produce creates a demand for government debt.

Industrial activity, created by running into debt, is thereby termed a prosperous condition. To me, however, it seems far otherwise; as it partakes of a somewhat similar character to that of the father, whose son, a spendthrift, squanders his father's fortune, burdens his estate with debt, thereby annihilating so much of his father's capital, to the loss of its productive employment.

14. Debt is not and cannot be a healthy stimulant to prosperity, unless the amount of that debt has been spent in production. And if our national industry is the offspring, to any considerable extent, of the war which has created our great national debt, as all thoughtful minds must admit, such a condition of things cannot, with any semblance of truth, be termed prosperous.

If the rapid increase of debt—which is, to a great extent, the destruction of capital, and a mortgage upon the property of the citizens of the United States, for the payment of which their estates stand pledged—is the normal condition of prosperity, then indeed are we prosperous.

But, if prosperity consists in the productive employment of labor, the payment of debts, and the economical employment and accumulation of capital, then it cannot be said that we are prosperous.

15. It is therefore necessary that, as a people, we should remember that no real prosperity can exist, and that the impoverishment of the masses of our people must ensue, unless this war is brought to a speedy and successful termination. Says RICARDO, "It is by the profuse expenditure of government, and of individuals, and by loans, that a country is impoverished."

16. The prevailing blindness to our real condition is not, however, the result of the industrial demands of war alone, but it has been greatly promoted and fostered by the issues of a paper currency, and a bonded debt by the Government. And this brings me to the consideration of our National Debt and Currency.

THE NATIONAL DEBT AND CURRENCY.

17. Our national debt is an almost complete annihilation of capital; nearly its whole amount having been withdrawn from productive employment, it stands to-day a mortgage upon the property of the people, the interest on which must be met by taxes paid by the people.

That we have abundant ability to sustain the burden of a large national debt, I have not the slightest doubt. That a debt, of reasonable proportions, distributed among the people, would have the tendency to unite us more compactly and steadfastly as an undivided nation, I believe susceptible of proof. And that Mr. CHASE, the Hon. Secretary of the Treasury, has played his part with admirable shrewdness, tact, and skill, I fully believe.

Nevertheless, I am of the opinion that debt created by war, and consequent destruction of capital, cannot result in the material wealth and prosperity of the nation, whatever specious appearances it may possess. If, however, the hundreds of millions of capital destroyed and debt created had been spent in improving rivers and harbors, the construction of

railroads, the widening of canals, the advancement of learning, and the encouragement of science, all of which would have been a productive expenditure of capital, then indeed should we have been enabled to rejoice in our prosperity as a people, and in the brilliant position we should have attained among the nations of the earth.

It is often said, England is prosperous; she sustains a large debt, and so can we. This is all very true; but we know not to what higher degree of prosperity she might have attained, had she not been burdened with debt; for, with all her prosperity, the masses of her people are impoverished.

"The poor of Great Britain," says JOSEPH KAY—than whom no one is more competent to express an intelligent opinion—"are more depressed, more pauperized, more numerous in comparison to the other classes, more irreligious, and very much worse educated than the poor of any other European nation, solely excepting Russia, Turkey, South Italy, Portugal, and Spain."

We do not, therefore, want to imitate England—far from it, for there the rich grow richer, and the poor poorer—but we desire to raise the masses of liberty-loving Americans to a higher level, and to a more prosperous condition, rather than oppress them with a burden of government taxation, which, in all nations, inevitably falls directly and indirectly upon the poor and producing classes.

18. Our national debt, although for a noble purpose, has been contracted through the deceptive character of a paper currency, without the reception of an adequate value. The increased prices of commodities produced by paper issues have very much enlarged it. The nation has been in fact, an immense borrower of a depreciated currency, which it agrees to refund in specie. In other words, we are borrowing commodities at high paper values, which are fifty per cent premium over their specie value, and agree to pay for them in specie. Our debt is therefore undergoing a rapid increase, because we thereby agree to pay $150 in gold for every $100 we receive.

19. The doctrine of the celebrated JOHN LAW was, that money was the cause, and not the effect, of wealth; and he favored large issues of paper money, as the high road to wealth. He tried the experiment, and met with complete disaster.

In our day, there are thousands who believe and advocate the same doctrine.

There is a general impression that the more paper money issued, the better; and the idea is commonly entertained that the more of it we have, the more wealth we possess. In some quarters, it is asserted that there is now an actual necessity for an additional issue of legal tender currency. Thus, the public mind appears confused by the deceptive character of our paper currency.

20. The issue of legal tender currency was, on the 30th of September, $420,503,107, and the national debt, inclusive, $1,222,113,559 80, which debt must be very considerably increased by outstanding claims against the Government.

21. Our paper currency consists of two kinds, one of which rests upon confidence, and the other upon authority. If we would preserve its value at par with coin, the quantity issued must conform to the amount required by the country to circulate its property and products at average

specie values; otherwise, it will be depreciated, or appreciated, as it is increased or decreased above or below its just proportion.

22. Money is properly a medium of exchange for the transfer of property between man and man; it represents and measures values, and facilitates the exchange of products, and is endowed with legal power to represent actual value. Every nation requires a certain amount of money sufficient to make its exchanges, transfers of property, and circulation of commodities, and it is graduated or distributed among them in accordance with the general law of supply and demand regulating all values.

"Gold and silver," says RICARDO, "having been chosen for the general medium of circulation, they are, by the competition of commerce, distributed in such proportions among the different countries of the world as to accommodate themselves to the natural traffic which would take place if no such metals existed, and the trade between countries were purely a trade of barter." There is then, we may say, a general level of values, which are moved by the metallic circulating medium of the world. And when any one nation, by any method, increases its circulating medium, the values relatively remain the same, but the prices become enhanced, and those prices in specie-paying countries check exports, while they increase imports, and turn the balance of trade against the country, until, by the exportation of specie, and consequent reduction of the currency, the circulating medium is restored to the general equilibrium.

23. In countries where the currency is exclusively paper, the effect is somewhat different; in those countries the values remain the same, and prices become greatly enhanced, but they do not have the same effect upon imports and exports, because, as prices advance, the currency is inversely depreciated. If, therefore, the currency depreciates as rapidly as prices advance, as manifested in the premium on gold, then, although at higher prices, the values of gold and commodities are preserved at their just equilibrium, and scarcely any effect is produced upon either exports or imports.

24. Almost universally among the civilized nations of the earth, gold and silver have been selected as the standard measures of value for carrying on their relations, because, of all commodities, they are the least fluctuating in value. Gold has a recognized and stable value throughout the world, which value is determined, as a general rule, by the cost of production; and the direct tendency of this metallic commodity and currency is to distribute itself where it is most wanted; thus preserving the general level of value between the whole ocean of currency and other values. In order, therefore, to ascertain the condition of our currency, or the currency of any people on the face of the earth, it must be tried by that standard. Bank notes, paper credits, and government currency are not commodities, and have no intrinsic value, and their marketable value must therefore be tried by the generally recognized standard of value.

25. To prevent depreciation, paper money must be so regulated as to keep it in the same condition, in regard to amount and value, in which the medium of exchange would exist, were the circulation purely metallic.

When specie payments were suspended by the Bank of England, in 1797, the value of paper currency was maintained for several years, because the issues of paper were regulated with reference to the indication of exchanges or the price of gold.

26. If there was perfect security for the issue of paper money in only such quantities as would preserve its value relatively to the mass of currency and values throughout the world, it would never suffer depreciation, and would be of great advantage to the public. But no such security can be given; the production of it is too easy and simple a process, and the temptation, when in want of money, too strong to restrain the issue. Hence the instability and unsatisfactory character of paper currency.

27. The large issues of paper money by our Government have enhanced prices, but have not produced any augmentation of value; yet, because of the general rise in prices, a popular impression prevails of a large increase in wealth. The prevailing opinion seems to be that a general rise in prices is indicative of increasing wealth, whereas, nothing is more absurd. Price does not create value. Neither can legislative enactment. "Value," says MILL, "is a relative term. The value of a thing means the quantity of other things which can be obtained in exchange for it." "By the price of a thing we understand its value in money; by the value or exchange value of a thing, its general power which its possession gives in the purchase of other commodities." "There may be a general rise in prices, but there cannot be a general rise in values."

If there is a general rise in the money *prices* of all things, it cannot make the slightest difference as to the wealth of the community, because their exchangeable value, or relation to one another, must remain precisely the same, although it may take more money to effect transfers. The great principle to be constantly borne in mind is, that the *value* of capital is the essential thing, and constitutes the wealth of society. If half our currency was swept away, the nation would not be any the poorer. With our present large issues of paper currency, values circulate at high prices, but, as a general thing, one product will not exchange for more of another than it would on the old specie basis, which proves that real *value* remains the same, while the variation in *prices* is caused by an alteration or depreciation in the value of money. But why call it a depreciation in the value of paper money, I may be asked.

28. Because paper money will not purchase as much of the commodities of life as the same amount of our former currency would do, which, after making all reasonable allowances for other operative causes, proves that money has lost its purchasing power, and become depreciated. If we take the two articles of consumption, sugar and coffee, we find, after deducting the additional duty, that the advance in price has been considerably over fifty per cent. It consequently takes $150 in paper currency to pay for the same amount of those products procured by our old currency, or the currency of the world, for $100, while the value of sugar and coffee holds its same relative proportion to each article. With two pounds of sugar one could procure one pound of coffee, under our old specie currency, as they now can under our paper currency. Our currency, therefore, has been unduly increased and depreciated, while values have not been in the slightest degree affected. The paper price and imaginary value of one hundred barrels of flour is nine hundred dollars, but with specie at fifty per cent premium its exchangeable value is only six hundred dollars; therefore, one hundred barrels of flour will pay for only six hundred dollars worth of foreign produce which we consume, and for

which our flour is exchanged. Hence, its real value consists in its exchangeable value of six hundred dollars, and not in its paper, fictitious, or its imaginary value.

29. There are only two ways by which a currency can be depreciated. If metallic, by a debased or degraded coin, or a redundancy of gold; if paper, by loss of confidence, or over-issue. Gold, being a commodity, has its value based as a general rule, like all other values, upon the cost of production, and when redundant in one country, its price, being fixed, remains unaltered, while the prices of all other values have advanced; therefore, gold, being the most valuable at its price, is taken in preference to other values which bear a high price, for exportation. Paper, however, when issued in excess, having no intrinsic value, does not rise relatively with other articles, and, though the price remains unaltered, is not wanted for export.

30. Hence, the excess of paper money in the United States never goes out of it; but is kept in constant circulation; it cannot be returned to the issuer for redemption, but must be pressed upon the market, and passed from hand to hand; and, as it is not desirable for its own sake, but only for what it will accomplish, every holder is desirous of employing it in the purchase of something of value. It acts, therefore, as an originating cause of speculations, and the activity of circulation engendered has the direct tendency to enhance prices and foster extravagance.

Says Tooke, "Additional currency, in whatever way it comes into circulation, must eventually raise the price of commodities and labor."

31. A certain amount of circulating medium is demanded, and no more; when that amount is exceeded, its value is diminished, because it requires more of it to make exchanges, and is not therefore worth as much as before. Money controls or commands capital, and the more or less capital a certain amount of money will control, demonstrates its value. If the amount of money is so profuse, by the introduction of a paper currency, that it takes fifty per cent more to buy with paper what one could buy with gold, the currency of the world, it seems to me the depreciation of the currency must be manifest. As an illustration of depreciation, simple and to the point, let us take the case of any man who laid by one hundred dollars of our old currency; could he not to-day, with that, buy one hundred and fifty dollars' worth of any commodities as valued by our present currency? Will any one say, then, that one hundred dollars of our present currency is worth as much in real value as one hundred dollars of our old currency? No. Has it not then depreciated? Money having a legal nominal price, which is invaluable, any depreciation in its value must show itself in the enhanced price of commodities. In California, however, where gold is current at par, the depreciation is seen in the price of legal tender.

"No government," says Say, "has the power of increasing the total value of money otherwise than nominally. The increased quantity of the whole reduces the value of every part." Says P. Webster, in relation to vain endeavors to increase the value of money by paper issue, "I have known people who had not milk enough to water it, but the nutritious particles of milk were not increased thereby. I have known children to change their pistareens to coppers to gain a greater heap of money; in these cases the *substance* was wanting; the *show* though increased was delusive."

"Any further increase," says MILL, "of paper beyond the amount substituted for a metallic currency is but a form of robbery."

"A circulation can never be so abundant as to overflow," says RICARDO; "for by diminishing its value, in the same proportion, you will increase its quantity, and by increasing its value, diminish its quantity."

32. While Secretary CHASE, as I have just noticed in his report to Congress, entertains somewhat similar views, relative to depreciation caused by increase of the circulating medium, expressed in these words: "Such addition tends inevitably to depreciation, and depreciation, if addition be continued, will find its only practical limit in the utter worthlessness of the augmented mass," yet, he seems to question the representation that any "large measure" of the increase of price is attributable to the existing amount of circulation.

With all his attempted explanations, however, he is very cautious in his statements as to what proportion of the present enhanced prices is properly chargeable to our depreciated currency, and goes on to say, that "much the greater part of the rise of prices, not accounted for by other causes, as well as much the greater part of the difference between notes and gold, is attributable to the large amount of bank-notes yet in circulation." And then, after giving the following excellent advice, viz: "all proper measures should be adopted to hasten the return to the normal condition of prices and business"—he urges the further establishment of national banks.

33. It seems to me our Honorable Secretary is in this matter very inconsistent. For, in the first place, he says addition to the currency tends to its utter worthlessness. 2d. That bank circulation is the cause of the greater part of the depreciation between notes and gold. Then, after giving wholesome advice about returning to the normal condition of prices and business, he turns about and urges the further issue of bank circulation by the establishment of national banks. He is really an advocate, therefore, by other instrumentalities, of the same results which he deplores. Suppose, for instance, our State banks were converted into national banks, would their circulation be thereby decreased? Not at all; their bills, instead of being furnished by themselves, would be provided by the government, and their circulation would be increased rather than decreased, because their bills would have an additional currancy, being current for all government dues excepting duties on imports, and for all government debts except interest on bonded debt; and, with the currency of their bills increased, their circulation could not fail to be augmented. But, not only does the Honorable Secretary wish State banks to adopt the new system, but he desires to establish other banks throughout the country, the effect of which would be to increase bank circulation and foster speculation, bringing about the very disastrous results which he deplores.

34. Our present bank circulation, however, is not, in my opinion, the cause of the difference between notes and gold. That assumption is entirely unsupported by any good or sufficient reason. Mr. CHASE says, with great truth and accuracy of statement, "that the currency cannot be materially augmented without evil consequences of the worst character." In order, therefore, to ascertain from what quarter evil consequences have proceeded, we must ascertain from what source the increase of our currency has been derived. According to our returns nearest January 1, 1861, the bank circulation of the loyal States was $140,000,000, and

nearest January 1, 1863, $168,400,000, an increase of only about $30,000,000, which amount is at the present time decreased, and does not equal the amount of government legal-tender notes, now withheld by the banks, as a basis for their own circulation.

35. Within the same time, the government has enlarged the volume of currency by adding over $400,000,000, which shows conclusively that the "material augmentation of the currency," productive of these "evil consequences," has been derived from the government.

36. But, because of the "evil consequences" arising from a depreciated currency the Honorable Secretary seeks to throw upon the State banks the odium thereof, and says: "Were these bank-notes withdrawn from use, it is believed that much of the now very considerable difference between coin and United States notes would disappear." That is true, very true; but would not the same principle apply with equal force to the contraction in the issue of legal-tender, to the same amount? Certainly. Of this there can be no question. The reduction of the currency to the amount of $200,000,000, whether by the withdrawal of bank notes or legal-tender, must increase the value of the remaining currency, and cause "much of the difference between coin and notes to disappear." Its natural effect would be to cause a decline in the prices of all values, including gold, because gold is a value; and the reason for the decline would be, because the amount of money being $200,000,000—smaller than before, with the same values to circulate, those values must, in the very nature of things, be reduced in prices in order to be circulated by the remaining money; and this decline in prices would demonstrate the increased value of money, because a certain amount of money would command more of commodities or values than before.

This vital principle, namely, that by diminishing the quantity of currency we increase its value, and by increasing the quantity we decrease its value, appears to be acknowledged and approved by Secretary CHASE. Still, notwithstanding his assent to its positive truth, he persists in advocating the establishment of national bank circulation, thereby increasing the quantity of currency and decreasing its value, which, according to his own reasoning and belief, must be productive of evil consequences.

37. It is apparent that consistency, as well as the public welfare, requires the suppression of all bank circulation, both State and national. For, as Mr. CHASE says, "it is believed, were State bank circulation withdrawn, much of the difference between notes and coin would disappear." Now the same principle applies with equal force to national bank as to State bank circulation; consequently, if the suppression of State bank circulation would be productive of such happy effects, then certainly the public welfare demands the suppression of all other bank circulation, and the immediate discontinuance of all projects calculated to create it. One class of circulation should not be suppressed for the creation of another, as no advantage would be gained, and all good effects would be neutralized; but both classes should be suppressed, and our banks, both State and national, become simply banks of deposit, and allowed to circulate nothing but the legal-tender currency of the country.

38. If we ever return to the "normal condition of prices and business," it must be through the reduction of the circulating medium, brought into just relations to the circulating value of the metallic currency of the world. This reduction can be accomplished by two methods. One, the with-

drawal or suppression of a portion of it; the other, the introduction of it into the Southern States, where it is now shut out. The entrance of a portion of it there, to circulate their values, would evidently reduce the amount circulating in loyal States, and the same effect would be produced on prices in both cases. Hence, if we are successful in suppressing the rebellion, and open the country to the circulation of our currency in the transfer of values, then the currency existing here, in the loyal States, will be reduced by precisely the amount required to circulate values in the Southern States, and prices of gold and other values will decline, in consequence of the reduction of the currency, compared with values circulated, until those prices are brought to their proper level, as measured by the reduced volume of paper currency. But those prices will not be brought to their "normal condition" unless the whole volume of currency shall stand *reduced* to its just proportions relative to all values, or, to the same amount as it would be, were the currency of the country gold and silver. And unless it be so reduced by one of these two methods, its value must continue to be depreciated below that of our neighbors, or what is the same thing, redundant compared with the currency of other countries; which depreciation is measured to a great extent by the price of gold.

39. Speculations and loss of confidence in our finances do of course produce their effect upon the price of gold, causing more or less variation, sending it sometimes higher, then by reaction lower, than its relative paper value to all other commodities; but as a general rule it marks by its average price the depreciation of paper. If paper is not depreciated to the amount of the average premium on gold, why should gold move out of the country, at so high a price?

In the present currency our products bear an inflated paper or fictitious value; and after the premium on gold is subtracted, they are of no more real or intrinsic worth than gold. Consequently, legal-tender is depreciated to that extent. If our products were much cheaper than gold, after deducting the premium on gold from their currency prices, it is evident the exportation of gold would cease.

40. That the prevailing high prices of all commodities is wholly attributable to depreciation, no one pretends to assert. For, the comparative state of demand and supply is known to be one of the prominent operative causes in prices. This is seen especially in the two leading articles of cotton and wool. The short supply of cotton has greatly enhanced its price, and the great demand for wool, in consequence of a short supply of cotton and other causes, has greatly increased the price of wool. Nevertheless it is apparent that these articles, whatever may be their prices, are just so much higher in legal-tender notes, as those notes are lower than our old specie currency.

41. Supply and demand have their effects on prices the world over, and if we are engaged in a war, and are large consumers of certain articles, those articles in foreign countries, unless their importation or exportation is restricted, feel the effect of it, and are affected in price, there as here, from the same causes; but, over and above that cause and every other operating upon prices universally, there is one cause which creates a large difference in the prices of the same values, between those in our own and foreign countries. For instance, two hundred pounds of cotton are worth in Boston one hundred and fifty dollars. In Liverpool, the same value,

two hundred pounds of cotton, are worth one hundred dollars. Now, the same causes with one solitary exception, which have operated to carry cotton up in Boston, to one hundred and fifty dollars, have carried it up in Liverpool to one hundred dollars, and that, the circulation in Boston of a large issue of legal-tender notes; hence, we may say with confidence that the difference in price of fifty per cent., must be caused by a depreciation of our currency.

And that depreciation manifests itself throughout the whole range of money prices, at about the same ratio, whether high or low. According to the *Merchants' Magazine* for November, there are fifty-five articles upon the Prices Current, which show a rise since 1861 of eighty-one per cent; in the same time, the rise of the principal railroad stocks has been one hundred and thirty-nine per cent. These enhanced prices are partially owing to increased values, common throughout the commercial world, while the remainder is owing to the existence of a depreciated currency.

42. Some of the effects of enhanced prices are seen in the record of the Clearing-House in New York and Boston. The Clearing-House, it is understood, is where the total amount of payment to be made by each bank is set off against the total amount to be received by each from other banks, every day, and the balance only paid in money. These clearings, therefore, indicate the amount of money transfers of property made by bank deposits, from day to day, although they do not cover those made from account to account in the books of each bank.

In New York City, the clearings per day were, in 1857, $26,968,371; in 1858, $15,393,735; in 1859, $20,867,333; in 1860, $23,477,737; in November, 1861, $19,590,177; in November, 1863, $76,573,118. In Boston, November, 1861, $3,715,969; in November, 1863, $8,545,813.

Here, it appears, taking the highest average in the year 1857, when speculation was rampant, and the expansion of the currency had inflated prices, and brought upon the country a monetary crisis, that the circulation of values, or the transfer of property, now takes three times the amount in our inconvertible paper currency which it then took in a convertible currency.

To move commodities or values transferred by high paper prices, bank deposits also are largely increased, as will be seen below.

The deposits in New York City banks, in 1859, were $76,665,092; in 1860, $79,716,004; in 1861, $83,252,466; in 1862, $112,195,094; in in 1863, $138,195,914. Deposits in Boston banks, in 1861, $24,760,563; in 1863, $32,371,254.

It will be observed that the amount of clearings before the issue of legal-tender notes was not so great in proportion to the amount of deposits as it now is, by one hundred per cent; which indicates that a lack of confidence in the circulating medium as a value, or a more than ordinary desire to turn whatever money is possessed into productive employment has greatly increased the circulation of deposits.

43. Paper money freely issued has largely augmented the volume of circulating medium, and raised its level, here, there, and everywhere it circulates. The quantity having been increased, all commodities or values circulated by it bear their proportion as to price, by partaking of the "augmented mass;" then prices being enhanced, deposits and clearings must be increased, and the whole superstructure of trade, business, and values adjusted to the new level of currency.

44. The over-issue of paper money by the government has been a most expensive undertaking. Not that it costs anything in itself, for it is an easy and fascinating process, to pay debt, by creating debt. So easy, that it is said, a member of the Continental Congress once exclaimed in debate, "Do you think, gentlemen, that I will consent to load my constituents with taxes, when we can send to our printer and get a wagon-load of money." It is also reported of a patriotic old lady, that she considered it a shame "that Congress should let the soldiers suffer, when it has power to make just as much money as it chooses."

Yet, although so easy, it is a most expensive process; it costs the government vastly more than they save in interest; because, by being obliged to pay increased prices for all it consumes, its debt is increased with much greater rapidity than it otherwise would be. It virtually receives but seventy dollars in value for every one hundred dollars it agrees to pay. In other words, it agrees to pay in the currency of the world one hundred dollars for every seventy dollars it borrows; because in that currency it could buy, for less than seventy dollars, the very same value for which it pays one hundred dollars in paper, or legal-tender.

Thus the national debt is largely increased without any additional value being obtained, which increases the taxes and throws the burden upon the people.

The effect of the issue of paper money has been likened to insensible perspiration, which weakens the body, and wastes the constitution before the patient knows he is sick; and it is said, a man possessing a great bundle of it is apt to be cheated, in spite of his convictions, into an opinion that he is richer than he is, and led into extravagant expenditures by the delusion. There is a great deal of truth in those statements; and although our government may not feel its weakness, nor the people their burden, owing to its strong constitution, and the illusion of a paper currency, yet, unless there is a contraction, rather than an expansion of our currency, those results are inevitable.

The depreciated currency has not only increased the government debt and taxes upon the people, but it has been severely felt by the prudent, industrious, and economical portion of our people, especially by annuitants, and salaried men; and their income in consequence of it, has been virtually reduced one-third. While the better class of citizens have suffered, by the depreciated currency, all money debtors have been enabled to pay their creditors in a sum of money really less than the fair claims. There are thousands of our citizens, however, who are really sufferers by the depreciated currency, who are entirely ignorant of it; they look over their stock of goods, or other property, and cast up the amount, as estimated in paper prices, with evident satisfaction; and, in consideration of large profits, spend their earnings and live extravagantly; but, when that day comes, as come it must, and these enhanced paper prices vanish, as the bubble breaks, then they will have a glimpse of their real condition, and will conclude that all is not prosperous that appears prosperous.

45. It is often asserted that no more paper has been issued than the wants of commerce require, that it is *all* employed and there are calls for more. We have no doubt that at the present high prices of all values, the currency is all wanted; but it is also certain that if *more* were issued, *more* would be required, as prices would advance proportionally. "The wants of customers," says Lord Overstone "never check issues; they are

absolutely illimitable in the nature of things; money is wanted by everybody to any amount."

It is impossible to satisfy the craving for money, so long as there is in it the slightest power to purchase values. When the Continental Congress "poured out their currency like water," says Mr. FELT, "they perceived with anguish that its nominal abundance diminished its real value, and left the vacuum of want unsupplied, whose sound continually came to their ears, like a warning curfew, and whose cry increasingly was, give, give."

No, the desire for more money is no proof of the necessity for it, for that desire would continue, until it took $1,000 "to pay for a breakfast;" and would increase as the value of money decreased.

46. Any increase of the now greatly expanded volume of currency, whether by the issue of legal-tender or by an additional bank circulation, will only intensify the cry, which we now hear ascending from all quarters —from mechanics, soldiers, clerks, and artisans, for a further increase of wages and salaries, the tendency of which will be, in the words of Secretary CHASE, "an extravagant increase of disbursements and an aggravation of the evil."

47. Instead of increase, the welfare and best interests of government and people demand a decrease. A contraction of the currency would result in saving the people from the burden of a large increase of debt and taxes, and reduce it to the "normal condition of prices and business."

Mr. CHASE suggests it in one sentence, but, alas, in the next, proposes again to augment it by the establishment of a national bank currency.

48. To accomplish so desirable an object, bank circulation, both State and National, should be suppressed, and a reduction of the issue of legal-tender ensue, until the currency is brought to its normal condition, or at par with the precious metals. The currency of the country, so long as this war is in progress, should be confined exclusively to *legal-tender notes;* as the government is entitled and should possess whatever benefits may be derived from the supply of a circulating medium, but the volume of that currency should certainly be reduced to its proper level, which is at par with gold.

49. What the country is really suffering for, is a currency which possesses a fixedness of value; to attain that, it is essential that there should be a fixed, positive, and permanent amount of currency—an amount which cannot be increased or tampered with by further issues of tender, interest-bearing notes, or national bank circulation—an amount, whatever may be the sum total, which shall represent in itself a certain percentage of real value, thereby furnishing stability to prices. Then values, having assumed their relative proportions to the circulating medium, would no longer be affected by it, but would circulate at steady though high prices, or only as they were moved by causes operating universally.

50. Our government has assumed a fearful responsibility, in the increase of the circulating medium by the over-issue of paper; it is a power that has always been abused, whenever and wherever exercised, generally resulting in disaster. When once the power is assumed, it being so easy to print paper, and impossible to create value by enactment, over-issue is inevitable; money becomes depreciated, and values unsettled throughout the nation.

51. To-day our Honorable Secretary of the Treasury, Mr. CHASE, holds,

to a great extent, this power of issue—which he has received from the government—in his own hands. He has within his grasp the scale of value, the graduation of which he can vary at pleasure. It is a vast, responsible, and momentous power, of too great proportions, and weighty with too many precious interests, to be intrusted to the guardianship of any fallible man. Such is his power, that, by the retention and issue of currency, he can carry monetary prices up or down at will. He can impoverish or enrich, create or destroy, at pleasure.

It is fortunate for the country, however, that our present Secretary is a man of so much sagacity and possesses such a high and honorable character. For it is by his prudence, foresight, and good judgment that we have been preserved from plunging still deeper into egregious folly.

Whatever may be Mr. CHASE's virtues, it is nevertheless one of the great evils of an inconvertible paper currency that it places in the hands of any one man such tremendous power; for we know not who may succeed him.

52. We are now apparently prosperous; our financial machinery is running smoothly; the paper mills are at work and are making certificates of debt, which the people take for their products; our currency is one of debt, and that we are passing from hand to hand for values at high debt prices; we are, in fact, submerged in debt; it is over, around, and about us, the debt of towns, cities, counties, and of the nation, but as it presses like the atmosphere with such equality upon our system we feel not its pressure.

53. Persons under water, having tons of it over their heads, feel not its weight; and it is only when they come out, and attempt to raise a portion of it, that they become aware of its ponderous character.

Thus it will be with our people when they attempt to extricate themselves from their present position; they will then begin to realize for the first time their burdened condition.

We are apparently prosperous, but when we return to specie payments, these imaginary paper values which everywhere prevail will be destroyed, and the people will discover that they were not really prosperous, but were much poorer than they had anticipated; and they will then be convinced that wealth consists in the abundance of commodities money will procure, rather than in the amount of money that commodities will command.

OCEAN STEAM NAVIGATION.

GREAT BRITAIN VS. THE UNITED STATES.

The subject of ocean steam communication between the United States and the countries of the world is at present attracting great attention. A memorial of the New York Chamber of Commerce has recently been presented to Congress on this subject, representing and showing the importance of some legislation on its part in aid of steamship lines. Special legislation to promote any particular class or trade at the expense of any other, most certainly should not be thought of; but where the benefit is so evident, not to a class but to the country, it clearly demands the serious attention of all interested in the country's welfare. For instance, if it can be proved that the establishment of a line of steam vessels between Brazil and the United States will develop the resources and add to the wealth of the nation, and at the same time increase the revenue of the Government, clearly any reasonable compensation the Government might pay for the conveyance of the mails, would be a safe and wise investment. Some may think that the present is not the time to incur new obligations —that when our debt is increasing so fast our means should be husbanded. This is true as a general proposition, and yet is not this saving policy sometimes foolish—in saving the penny may we not sometimes loose the pound? Thus, in this case, we think we are loosing much by our inaction, and propose to prove it, by instituting a comparison between the commerce of the United States and Great Britain, and showing that the growth of the commerce of each country is the effect of ocean steam communication. Wherever we have established a line of steamers increased trade is at once the result, and the gradual but steady increase in the commerce of Great Britain over our own, even with nations which are our neighbors and natural allies, is tracable directly to the greater inducements she has held out for the establishment of steamship lines. Mr. Stevens, in his report, well says that the power and wealth of nations is, in this century, subjected to a new measure, the measure of steam, and the commerce of nations has increased or diminished as they have availed themselves of or neglected this great agency of civilization.

To show the difference in the encouragement given by these two nations, and the effect it has had, we propose, first, briefly to examine the American and English legislation on the subject, and then to show what lines have been established, and finally to give the trade with Great Britain and the United States, of some of the American nations to which lines have been established; and in doing this we have availed ourselves of much of the material so well prepared by Mr. Stevens, Secretary of the Chamber of Commerce in his very excellent report.

THE AMERICAN SYSTEM OF STEAM NAVIGATION—CONGRESSIONAL LEGISLATION.

The American system of ocean steam navigation dates from the year 1846.

For some years prior to this period, efforts had been made to establish lines of steamers, with the aid of Congress.

In 1841, Mr. T. Butler King, of Georgia, at the extra session, made a report from the Committee on Naval Affairs, urging the passage of a bill for the establishment of a home squadron, which was passed, and appended to it was a resolution directing the Secretary of the Navy to advertise for proposals for the establishment of lines of mail steamers similar to the British lines, to run to some European ports, and also for a line from some of the Northern to some of the Southern ports of the United States.

By the act of Congress passed 3d of March, 1845, the policy was inaugurated of contracting for the transportation of mails to foreign countries, under the direction of the Postmaster-General; all such contracts were required to be made with citizens of the United States, and the service to be performed by American vessels. In pursuance of this authority, the Postmaster-General advertised for proposals to carry the mails on various routes.

A contract was made with Mr. Edward Mills, of New York, to run a line of steamers from New York to Bremen twice a month, touching at Cowes, with the privilege of going alternately to Havre, the compensation to be $400,000 per annum, and if to Havre, $350,000.

About the same period, Mr. E. K. Collins made his first proposition to run a line to Liverpool twice a month for eight months, and once for the other four, for $385,000.

In May, 1846, the subject was again brought forward by Mr. King, in a report from the Committee on Naval Affairs, and in June of the same year a contract was made for the conveyance of the mails from New York to Bremen in four first-class steamers.

In June, 1846, Mr. Niles, of Connecticut, introduced into the Senate the following resolution:

"The Postmaster General is hereby authorized to apply twenty-five thousand dollars of the money appropriated for mail transportation for a line of mail steamers from the United States to Bremen, and a further sum of twenty-five thousand dollars for a line of mail steamers from the United States to Liverpool in England; but no further sums shall be diverted to any other objects than the transportation of the mail within the United States."

It was at this time that it was proposed in England to duplicate the Cunard line, and it was thought that the establishment of an American line would perhaps arrest the project, so little was the fixed policy of the British government understood at that period.

In March, 1847, an act was passed requiring the Secretary of the Navy to enter into three contracts:

First. For five ships to carry mails from New York to Liverpool.

Second. For conveyance of mails from New York to New Orleans, to touch at Charleston, Savannah and Havana, with a branch line from Havana to Chagres.

Third. To contract for the transmission of the mail from Panama to Oregon, touching at the intermediate points in California. On this line three large steamers were to be employed.

This was called at the time, the American System, and was the first practical and intelligent effort to aid American commerce to hold its own in the rapid race for the mastery of the seas, and the sharp struggle for the carrying trade of the world, which the United States had undertaken with Great Britain. The American System, therefore, dates from 1846.

But the enterprise of our people was not measured by this legislation. In the fall of 1846, the first of our ocean steamers—the *Southerner*—was launched. She was the pioneer in a series of successful and profitable lines, which, while the domestic relations of the country were peaceful, largely contributed to its wealth, comfort and prosperity; and when war rudely broke up the accustomed course of trade, at once enabled the Government to undertake and enforce a blockade of unparalleled extent But for the fleet of ocean steamers which commerce placed at the disposal of the Government, the course, and, perhaps, the result of the struggle might have been changed. The Charleston line, which has included some of the best steamers ever built in any country, was quickly followed by one to Savannah. These coast lines were independent of Government aid, except so far as they receive regular postage from the Post-Office Department for conveying the mails.

On the 6th December, 1847, Hon. J. Y. MASON, Secretary of the Navy, stated in his report:

"By the same act (3d March, 1847,) contracts were authorized for the transportation of the mail in steamers between New York and Liverpool, between New York and New Orleans, and from Havana to Chagres.

"The contracts require the vessels to be ready for sea in October and November of the year 1848, and the right of pay will commence with the commencement of the performance of the mail service. The annual compensation under these agreements will be: To E. K. COLLINS, $385,000; A. G. SLOO, $290,000; ARNOLD HARRIS, $199-000.

"I have cordially co-operated in the establishment of the several lines of steamers stipulated for by those contracts. Thirteen new vessels will be constructed in the most skillful manner, which may be used as war steamers, and will be available for national purposes in any emergency. The contracts stipulate that a mail agent, to be appointed by the Postmaster-General, shall be placed and maintained on board."

On the 4th of May, 1848, the Committee on Naval Affairs, by Mr. KING, proposed the establishment of steam communication from one of our ports in California to Shanghai and Canton in China, by the employment of four Government war steamers.

On the 19th of July, 1848, Mr. T. BUTLER KING reported to Congress a joint resolution, proposing:

1st. "To direct the Secretary of the Navy to advertise for proposals for carrying the United States mail from either of the ports therein named, that shall be ascertained to be most eligible, to those in France, for a period of ten years, in five first-class steamers, capable, in all respects, of being readily converted into ships of-war, and to be placed on the line during the first five years of the contract.

2d. "To establish a similar line, for similar purposes, from one of the ports named in the United States to Antwerp, in Belgium, to extend to Gluichstadt, at the mouth of the Elbe, during such part of the year as the navigation of the North Sea may be considered safe. The two lines to consist ultimately of ten ships of the largest class. These proposals to be returned to this House, at its next session, for its consideration."

The last resolution proposes to employ temporarily the steamer *United States*.

The reason given by Mr. KING for these proposals was, that our intercourse with the Continent, so far as letters and passengers are concerned, was then conducted across the Island of Great Britain, the English Channel, and the North Sea. There had been established twelve lines of steamers between Gluichstadt, at the mouth of the Elbe, Bremen-haven, Amsterdam, Antwerp, Ostend, Calais, and Havre, on the Continent; and Southampton,

Dover, London, Hull, and Edinburgh, in the Island of Great Britain, through which lines our intercourse was maintained, and it was, therefore, important for us to avail of that communication to support our own tonnage.

Under this and similar legislation the several lines contemplated were wholly or partially undertaken, and so far put in progress, that in 1852 seven lines had been established, and were in successful operation.

This closes the account of American congressional legislation to protect the commerce of the United States.

The following table will show the foreign mail service of the United States in the fall of that year:

UNITED STATES MAIL SERVICE ABROAD, OCTOBER 1, 1852.

No. of route.	*Points.*	*Distance, miles.*	*No. of trips.*	*Contractors.*	*Am't of pay.*	*Contract.*
1	New York, by Southampton, England, to Bremen-haven, Germany	3,760	Once a month.	Ocean Steam Navigation Co.—C. H. Sand	$200,000	With Postmaster-general, act of Congress, March, 3, 1845.
2	Charleston, S. C., by Savannah, Georgia, and Key West, Florida, to Havana, Cuba	689	Twice a month.	M. C. Mordecai	50,000	With Postmaster-general, acts of Congress, March, 3, 1847, July 10, 1848.
3	New York to Aspinwall, New Granada, direct	2,000	Twice a month.	George Law, M. O. Roberts, and B. R. McIlvaine	290,000	Under contract with Secretary of Navy, acts of Congress, March 3, 1847, March 3, 1851.
	New Orleans, Louisiana, to Aspinwall, New Grenada, direct	1,400				
	New York *via* Havana to New Orleans, Louisiana	2,000				
4	Astoria, Oregon, with sundry stoppages	4,200	Twice a month.	Pacific Mail S. S. Co.	848,250	Contract with Secretary of Navy and Postmaster-general, acts of March 3, 1847, March 3, 1851.
4	New York to Liverpool	3,109	26 per year.	E. K. Collins & Co.	858,000	Contract with Secretary of Navy, March 3, 1847, July 21, 1852.
6	New York, by Cowes, to Havre, France	3,270	Once a month.	Ocean Steam Nav. Co.—M. Livingston	150,000	Contract with Postmaster-General, March 3, 1847.
7	Aspinwall to Panama,	60	Twice a month.	.....	50,436	Service of Panama R. R. under temporary arrangement, act of Congress, March 3, 1851, at 22c. per lb.
					$2,446,686	

Of these lines, Nos. 3, 4, and 7 are now in operation—all the ocean lines being withdrawn. The Collins line went into operation in 1850 and was withdrawn in 1858. The Havre line was withdrawn in December, 1861, on the breaking out of the rebellion. The owners of the Bremen line discontinued it on the expiration of their contract in 1858, the compensation granted by the Government being too small. Mr. VANDERBILT undertook the service with three of his unemployed steamers, but it was finally abandoned. The subsidy granted the Charleston line was sufficient to maintain it in continued and prosperous operation, and it was thriving when the rebellion broke out. The following table shows the American steam lines January 1, 1864:

AMERICAN STEAM LINES, JANUARY, 1864.

Names of line.	*Route.*	*Steamers employed.*	*Tonnage.*	*Total tonnage.*	*Remarks.*
Pacific Mail Steamship Company.	Panama to San Francisco and Oregon.	Constitution	3,300		Side-wheel.
		Golden City	3,378		"
		Sacramento	2,647		"
		Golden Age	2,282		"
		St. Louis	1,631		"
		Sonora	1,616		"
		Orizaba	1,451		"
		Uncle Sam	1,434		"
		California	1,057		"
		Mariposa	1,089		Propeller.
		Monterey	1,037		Side-wheel.
		Four steamers building.	13,000		"
				33,907	
Atlantic and Pacific S. S. Co.	New York to Aspinwall.	Ocean Queen	2,801		Side-wheel.
		North Star	1,867		"
		Northern Light	1,867		"
		Champion	1,490		"
		Ariel	1,395		"
				9,320	
M. O. Roberts' California S. S. Line.	New York to Aspinwall.	Illinois	2,163		Side-wheel.
		Moses Taylor	1,372		Pacific coast.
		Retribution	2,500		Not yet ready for Pacific coast.
	Panama to San Francisco.	Empire City	1,751		"
		America	2,031		Pacific coast.
				9,817	
Havana and New Orleans Line.	New York to Havana & New Orleans.	Morning Star	2,022		Side-wheel.
		Evening Star	2,015		"
				4,037	
Spofford and Tileston Line.	New York to Havana & New Orleans.	Eagle	1,600		
		Columbia	1,600		
				3,200	
New York and Virginia.	New York to Havana and New Orleans.	Roanake	1,071		Side-wheel.
		Creole	1,046		"
		Yazoo	....		Building—Prop'r.
				2,117	
Cromwell's Line, New Orleans S. S.	New York to New Orleans.	George Washington	810		Propeller.
		Cromwell	815		"
		Locust Point	475		Extra boat.
		Parkersburg	710		"
				2,805	
New York and Portland.	New York to Portland.	Potomac	462		Propeller.
		Chesapeake	470		"
				932	
				51,256	

THE BRITISH SYSTEM OF STEAM NAVIGATION—PARLIAMENTARY LEGISLATION.

Thus we have seen what the legislation of the United States has been, and what are the American steam lines at the present time. In turning, however, to the British system and examining its fruits, our own contracted, short-sighted policy is forcibly exhibited. Since the year 1839, when the English Government set itself to work to bind in its chains the commerce of the world, there has been no hesitation or drawback on the part of the authorities. Repeated investigations have been had; volumes of testimony have been published, and the system earnestly opposed by many, but in vain. The passages of the *Sirius* and *Great Western*, in 1838, from Liverpool to New York, plainly demonstrated the practicability of ocean steam navigation, and in the following year, 1839, a contract was made with Mr. CUNARD to convey the mails from Liverpool, *via* Halifax, to Boston, in five steamers of the first class, for the sum of £85,000, or $425,000 per annum. It was stipulated that these vessels should be capable of conversion into ships of war, and of carrying ordnance of the heaviest kind.

This line of steamers, famous as the Cunard line, was immediately established, and the results of the experiments were so favorable that the Government was, in 1846, induced to enlarge the contract of 1839, by add-

ing four ships to run from Liverpool to New York, and to increase the compensation to £145,000, or $725,000 per annum for the total service. These last vessels commenced their trips in 1848.

In 1845, the Government entered into a contract with the Peninsula and Oriental Steam Navigation Company for the employment of seven steamers, at £160,000, to run from Southampton, *via* Gibraltar and Malta, to Alexandria, in Egypt; thence to send the mails overland to Suez; again thence by steamer to Singapore and Hong Kong, touching at Aden, Bombay, and at Point de Galle, Ceylon, with a branch line from Point de Galle to Calcutta, touching at Madras.

In the year 1840 a contract was made by the Admiralty with the Royal Mail Steam Packet Company, at £240,000, or $1,200,000 per annum, for fourteen steamers, to carry the mails from Southampton to the West Indies, the ports of Mexico on the Gulf, and to New Orleans, Mobile, Savannah, and Charleston; to make 24 voyages, or 48 trips a year, leaving Southampton semi-monthly.

In consequence of some disasters during the first years, the West India line was relieved from touching at the ports of the United States, but in 1847 required to resume its trips to New Orleans, and any others, as ordered.

This company received a contract in 1850, of £270,000 per annum, to carry the mails twice a month to the West Indies; and in 1851 a further contract of £25,000 to carry the mails once in each month to Brazil and the River Plate. The conditions of the contract required that the passages should be made in the following time: To St. Thomas, in 14 days 12 hours; Colon, 19 days 15 hours; Rio, 26 days 6 hours; from Rio, in 25 days 5 hours; to Buenos Ayres, in 35 days 12 hours; from Buenos Ayres, in 36 days 21 hours.

From St. Thomas ten different radiating lines to Mexico, Central America, the Spanish Main, and the various West India Islands, keep up a constant communication.

These three lines employed, in 1848, eighty-seven steamers, and for the home service twenty-eight smaller steamers—in all, one hundred and fifteen steamships.

In 1846 the Government made a contract with the Pacific Steam Navigation Company for a line from Valparaiso to Panama, touching at intermediate points, and making an overland connection with the West India line.

A series of contracts were also entered into connecting the important commercial towns with the Continent.

In 1852, the Peninsula and Oriental Company and the Royal West India Mail Company alone employed fifty-three steamers, of which thirty were wooden vessels and twenty-three iron; of these, sixteen run from Southampton to foreign ports, and twenty-three were permanently employed abroad.

In 1854, Mr. CUNARD received a contract to carry the mails from Halifax to Bermuda and St. Thomas, for £14,700 per annum.

In 1857, the African Steamship Company took a contract of £33,000 to take the mails once a month to the Cape of Good Hope; and in 1858, to the west coast of Africa once a month, touching at Madeira, Teneriffe, Sierra Leone, and other intermediate points.

These contracts were all made for an extended period, and in nearly

all, if not all, cases were renewed on the application of the companies some years before their expiration. In such renewals, the Government, while not withholding an additional subsidy whenever its need was demanded by the circumstances of the service, or the result to the contractors in the bargain made, always required some extension of the system, so as to allow of a more frequent, a more direct, or a more efficient service. While seeking always to make the system self-supporting, it has, nevertheless, unhesitatingly incurred new charges whenever it could thereby develop the commerce of its people, and open new markets to their industry.

The following table, taken from the Post Office Report of 1862, will show the important details of this comprehensive and extended system:

TABLE SHOWING THE FOREIGN STEAM COMMUNICATION OF GREAT BRITAIN, AND THE GOVERNMENT SUBSIDIES, FROM THE REPORT OF THE POSTMASTER-GENERAL, 1862.

*No. of the lines.**	*Destination.*	*No. of trips.*	*Companies.*	*Date of contract.*	*Subsidy per an.*
12.	Southampton, Vigo, Oporto and Lisbon	Three times a month.	Peninsula and Oriental Steam Navigation Company,	Admiralty January 9, 1852.	£85,000
13.	Southampton to Gibraltar, Malta, and Alexandria	Four times a month.	Ditto.		
	Marseilles, Malta and Alexandria				249,625
	Suez and Bombay	Twice a month.	Ditto.	Admiralty. January 1, 1853. July 7, 1854.	
	Suez and Calcutta				
	Bombay and China				
14.	Point de Galle and Sydney	Once a month.	Ditto.	Post-office. April 16, 1861.	134,672
15.	Liverpool, Halifax, and Boston	Weekly.	Sir S. Cunard	Admiralty. June 24, 1858.	176,340
	Liverpool and New York				
16.	Halifax, Bermuda, and St. Thomas	Once a month.	Ditto.	July 1, 1854.	14,700
17.	West Indies	Twice a month.	Royal Mail Steam Packet Co.	July 5, 1850.	270,000
	Brazil and River Plate	Once a month.	Ditto.	January 1, 1851.	
18.	Pacific	Once a month.	Pacific Steam Navigation Co	April 1, 1862.	25,000
19.	West Coast of Africa	Once a month to touch at Madeira, Teneriffe, Sierra Leone, etc.	African Steamship Co.	Sept. 24, 1852.	30,000
20.	Cape of Good Hope	Once a month.	Union S. S. Co.	Sept. 12, 1853.	23,000

In addition to this extended system of steam mail communication, an increased service is proposed on the China coast. Before the recent hostilities, a line was contemplated from China to Japan; another to connect Brazil with Australia across the South Pacific, and Australia with New Zealand, and again from Panama to British Columbia. Nor will this sleepless and energetic nation pause in its course until it has girdled the world with its constant steam communication; and, by the combined wisdom of its rulers and the energy of its people, rendered all nations and climes tributary to its power, and wealth, and comfort.

The cost to the British Government of its foreign and colonial packets may be seen from the following table, prepared by a special committee, in 1860, appointed by the House of Commons:

* The preceding numbers are of domestic lines or lines to the continent.

PAYMENTS OF THE BRITISH GOVERNMENT TO FOREIGN AND COLONIAL PACKETS.

Packets.	Contract payments.	Sea postage.	Profit.	Loss.	Cost per oz. of letter and lb. of printed matter.
A. Dover and Calais, and Dover and Ostend...	£15,500	£76,000	£60,500		
B. Peninsula.....	20,500	3,000	....	£175,000	9 8½
C. North America.....	191,000	112,000	....	79,000	2 6
D. West Indian..... Pacific..... Brazilian.....	293,500	78,000	....	215,500	4 8
E. West coast of Africa.....	30,000	4,000	....	26,000	6 1 35-16
F. The Cape of Good Hope..	32,400	7,500	....	24,900	2 4½
G. Australia.....	97,000	29,000	....	68,000	2 3½
H. East Indies.....	168,000	84,000	....	81,000	1 4 11-16
Total.....	£847,900	£393,500	£60,500	£514,400	

The following tables, taken from the work of Mr. RAINEY on the *Ocean Post*, show that while the British Government was paying to four of her principal ocean lines an average of $2 39 per mile, the American Government was paying to five of ours an average of $1 80½ only, or about two-thirds as much as the former. The tables are made up for 1857.

COMPARATIVE SUBSIDIES TO AMERICAN AND BRITISH LINES IN 1857.

AMERICAN.

Line.	Trips.	Distances.	Subsidy.	Gross postage.	Total miles.	Per mile.
Collins.....	29	3,100	$385,000	$415,867	124,000	$3 10½
Bremen.....	13	3,700	128,937	128,937	96,000	1 34
Havre.....	13	3,270	88,484	88,484	85,020	1 00½
Aspinwall.....	24	3,200	290,000	139,610	153,600	1 88½
Pacific.....	24	4,200	348,250	133,238	201,600	1 70
Havana.....	24	669	60,000	6,288	32,112	1 86½
Vera Cruz.....	24	900	29,062	5,960	43,200	07
Total.....			$1,329,733	$1,035,740*	725,732*	
Average.....						$1 80½

BRITISH.

Lines.	Trips.	Distances.	Subsidy.	Gross postage.	Total miles.	Per mile.
Cunard.....	52	3,100	£173,340	£143,667 10	304,000	$2 38½
Royal Mail.....	24	11,402	270,000	106,905 00	547,296	2 46
Peninsula & Oriental...	24	....	244,000	178,186 11	796,637	1 53½
Australian.....	12	14,000	185,000	33,281 12	336,000	2 75
Bermuda & St. Thomas.	24	2,042	14,700	.....	98,000	0 75
Panama & Valparaiso..	24	2,718	25,000	5,715 00	130,434	0 96
West coast of Africa....	12	6,245	23,250	3,196 02	149,880	0 62½
				French, Belgian and Dutch.		
Channel Islands.....	156	132	....	74,430 08	41,184	....
Holyhead & Kingston..	730	64	....	86,158 09	93,440	....
Liverpool & Isle of Man.	112	70	....	10,032 15	14,560	....
Shetland & Orkneys...	52	200	....	.....	20,800	....
Total			£1,062,797	£591,573 07	2,532,231	$2 39

Total average, per mile, $2 10½. Average of four principal lines, $2 39.

These subsidies have been gradually increasing from the year 1850, and additions made, as new services were required from the lines, growing out of the increased commerce which followed their establishment;

* The slight errors in these footings occur in the original.

and in times of commercial distress, as well as in prosperity, the same sustaining and unfaltering protection has always been afforded by the sagacious and far-seeing policy of the British Government.

RESULTS OF THE ESTABLISHMENT OF STEAMSHIP LINES.

We have thus compared the American and English system of steam navigation, and drawn attention to the extent of each, and the government encouragement received. While England, as we have seen, has been bending all her energies to multiply her steam lines; we have allowed ours one after another to be withdrawn, until now we have almost entirely yielded the field to our rival. The consequences are precisely what we might expect. England has been permitted to increase her trade, open up new markets for her manufactures, making herself the distributor of the wealth of almost all nations—while our own commerce has languished, being almost swallowed up by reason of the rapid increase of her commerical facilities. We shall not be able to more than glance at the trade of but two or three of our neighbors to illustrate what we have said.

BRAZIL.

Particular attention has of late been called to Brazil. The first line of mail steamers to Brazil commenced its trip from Southampton in January, 1851. This service was added to that of the Royal Mail Steam Packet Company in the preceding year. The steamers starting from Southampton touched until recently at Lisbon, Madeira, Teneriffe, St. Vincent; and in Brazil, at Pernambuco, Bahia, Rio de Janeiro; and to the southward at Monte Video and Buenos Ayres. The exports and imports of 1851 compared with 1860 were:

	British Products.		American Products.
Exports, 1851.....	£3,518,684	or $17,593,420	$3,128,956
Exports, 1860.....	4,446,776	22,233,880	5,945,235
Increase.....	£928,092	$4,640,460	$2,816,279

Showing a gain, in the ten years, by Great Britain, in that market for her products, of nearly the whole amount of the American exports. Yet a comparison of the imports from the same country, respectively with the United Kingdom and the United States, will show that we are the natural customers of Brazil, and that it only needs an exercise of the same energy as that displayed by Great Britain, and an increase of commercial facilities, for us to control the trade of this thriving and populous empire. The comparative imports of Brazil products were:

	Into the United Kingdom.		Into the United States.
Imports, 1851.....	£2,893,751	or $14,468,755	$11,525,304
Imports, 1860.....	2,269,180	11,345,900	21,214,803
Decrease.....	£624,571	$3,122,855	Increase $9,689,499

To what else can we ascribe the fact that, notwithstanding the largely increasing demand for Brazilian products in this country, and a falling off in the British demand, the British still maintain almost a monopoly of the Brazilian market for manufactured articles, unless it be to the superior advantages which a constant mail steam communication affords to the British merchant.

The American Consul at Rio de Janeiro, in his letter of July 1, 1862, enclosing to the Government a report on the commercial condition of Brazil, after alluding to the material injury which the trade of the United States has sustained with this country, owing to the rebel privateers, which have diverted the carrying trade from American to foreign bottoms, says: "So long as there is no direct steam communication between Brazil and the United States, just so long will our nation occupy the present humiliating position in regard to the control of its commerce;" and he adds, "that the trade with England and France has grown enormously, and almost beyond belief, since the governments of those countries established regular monthly steam communication with Brazil."

The Consul at Pernambuco, writing under date of 28th of October, 1862, quotes the following passage from a debate in the Brazil Chamber of Deputies. Senor FRANCO DE ALMEIDA, said:

"That the honorable deputies may appreciate the immensely valuable interests which steam communication must create and increase, let it suffice to enumerate some of the principal products of which North America stands in need, and those which Brazil requires. We could furnish sugar, honey, drugs, fruits, coffee, cotton, tobacco, rice, hides, cocoa, sarsaparilla, precious woods, precious stones, dye stuffs, tapioca, cloves, isinglass, saffron, gum copal, vanilla, copaiba, crude metals, &c., &c. North America could not find a nearer market than Brazil, nor could she procure these productions with greater facility, or so cheaply. Rio de Janeiro would necessarily become a great American depot. On the other hand, we could supply ourselves with the productions of the United States with greater advantage and at a much cheaper rate. We could import wheat, flour, meats, butter, lard, horses, machinery, all articles of hardware, implements of trade and agriculture, furniture, woolen and cotton cloths, sailing vessels, steamers, and, furthermore, all the *imitation works of art*, which, in the United States, are extraordinarily cheap *compared with Europe*. To convince the minds of honorable deputies, I will remind them of a fact. The commerce of England with us from 1840 to 1850 was nearly always stationary, averaging £2,000,000 sterling, according to the Blue Book and Mr. OULLACK. During the same period, our commerce with the United States was greater; and why? Because there was no steam communication then between the empire and Great Britain. The American clippers had an advantage over English barks. But the honorable deputies will remark that, as soon as a line of English steamers was established, these wonderful results were produced. The importations from Brazil into England in 1853, three years after the inauguration of the line, increased one hundred and fifty per cent over that of 1848. In 1855 it had increased 300 per cent. England, which in 1852 imported 8,000,000 pounds of coffee, imported, in 1853, 52,000,000; in 1854, 59,000,000; in 1855, 112,000,000."

In the year ending June 30, 1861, the Consul at Pernambuco reports the number of steamers which entered that port, to have been two American, 2,431 tons; twenty-five French, 29,395 tons; four Portuguese, 8,074 tons, and twenty-two English, 37,603 tons. Total, 53 steamers, 77,503 tons. The same detailed statement is not given for other ports.

We have not the space to give the trade of the other South American countries at the present time, in detail. The following, however, presents the imports from and exports to the entire continent from and to Great Britain and the United States respectively for the years 1853 and 1860. As we have already stated the first line of steamers to Brazil commenced its trips from Southampton in January, 1851; but to the Central Republics, the West Coast and Northern South America steamship lines were established by Great Britain at earlier dates. The results may be seen from the following figures:

TRADE OF SOUTH AMERICA, THE UNITED STATES AND GREAT BRITAIN.

EXPORTS, 1853.

	Products of the United Kingdom.		Of the United States.
To Brazil	£3,186,407	or $15,932,035	$3,784,190
Central Republics,*	1,080,918	5,404,590	914,943
West Coast, †	2,994,246	14,971,230	3,609,599
Northern South America, ‡	658,733	3,293,665	1,721,424
Total	£7,920,304	$39,601,520	$9,980,156

EXPORTS, 1860.

	Products of the United Kingdom.		Of the United States.
To Brazil	£4,446,776	or $22,233,880	$5,945,235
Central Republic	2,705,180	13,525,900	1,390,332
West Coast	3,969,276	19,846,380	5,377,351
Northern South America,	920,061	4,600,305	2,462,257
Total	£12,041,293	$60,206,465	$15,175,175
Increase	£4,120,989	$20,604,945	$5,195,019

IMPORTS, 1853.

	Into the United Kingdom.		Into the United States.
From Brazil	£2,856,803	or $14,284,015	$14,817,961
Central Republics	1,276,912	6,384,560	2,489,621
West Coast	2,303,599	11,517,995	2,941,221
Northern S. America.	1,159,271	5,796,355	2,826,711
Total	£7,596,585	$37,982,925	$23,075,514

IMPORTS, 1860.

	Into the United Kingdom.		Into the United States.
From Brazil	£2,269,180	or $11,345,900	$21,214,803
Central Republics	1,965,083	9,825,415	4,929,598
West Coast	6,029,429	30,147,145	6,224,932
Northern S. America.	1,710,502	8,552,510	3,623,386
Total	£11,974,194	$59,870,970	$35,992,719
Increase	£4,377,609	$21,888,045	$12,917,205

These comparisons show an increase in the imports by South America from the United States and Great Britain of $25,799,964, and of exports of Brazilian produce to those countries of $34,805,250, exclusive of the entrepot trade. The increase, including the importations from each nation of merchandise not of its own production, is $61,377,825, a certainly very extraordinary increase for South America. To what can this be ascribed, except to the immense impetus given to her commerce by the establishment of regular steam communication? Of this increase Great Britain had $42,-

* Buenos Ayres and Uruguay.
† New Granada, Equador, Peru, Bolivia and Chili.
‡ Venezuela—The Guianas.

698,685, and the United States, $18,679,140. It is interesting and instructive to observe how thoroughly the British merchant controls the markets of these countries, and how the exports of British products keep pace with the imports into Great Britain of foreign products, while from all of these countries the United States is largely increasing its imports and only very gradually its exports in return, being compelled to make their purchases on British credits; and to what is it owing but to the fact, that the control of the communications, involving, first, information, and a grasp of the exchange market, gives the advantage to the British seller.

The exchanges with the United States were, in 1860, $52,734,819, and with Great Britain, $121,895,495.

CHINA.

Thus we might present column after column of figures all going to prove the same fact—that when Great Britain has established steamship lines and we have not, she has almost monopolized the trade. But we can give only one instance more.

Steam communication was opened with China in the year 1845, by the Peninsula and Oriental Steamship Company. Comparisons are presented from 1853 to 1860 of the trade of the United States and Great Britain. The exports of the two nations were:

	Products of the United Kingdom.		Of the United States.
1853	£1,749,597	or $8,747,985	$3,212,574
1860	5,318,036	26,590,180	7,170,784
Increase	£3,568,439	$17,842,195	$3,958,210

The imports in the same periods:

	Into the United Kingdom.		Into the United States.
1853	£8,255,615	or $41,278,075	$10,573,710
1860	9,323,764	46,618,820	13,566,587
Increase	£1,068,149	$5,340,745	$2,992,877

Including the exports from each country, not of its own product, and which from the United States had increased from $524,418, in 1853, to $1,735,334, in 1860, and from Great Britain from £57,158 to £133,521, the total exchanges with China will be found to have increased with Great Britain to the amount of $23,563,758, and to the United States, $8,162,013.

Here, as in the preceeding comparisons with other countries, the large increase in the exports of Great Britain is to be remarked. Everywhere her merchants seem to hold the markets in their control.

WEST INDIES—CUBA.

There is, however, one bright stop to which we would call attention. Our enterprising merchants, although receiving little or no encouragement from Government, have given us constant regular steam communication since the year 1848, with the West India Islands. The Royal Mail Steam Packet Line also commenced its trips to these Islands in 1841. Hence the United States and Great Britain have been in competition for this trade, and with the following results:

EXPORTS TO THE WEST INDIA ISLANDS.

	Products of the United Kingdom.	Products of the United States.
1853	$16,007,815	$14,035,171
1860	22,453,335	23,167,439
Increase	$6,445,520	$9,132,268

IMPORTS FROM THE WEST INDIA ISLANDS.

	Into the United Kingdom.	Into the United States.
1853	$32,486,185	$25,069,477
1860	39,390,860	43,399,852
Increase	$6,904,675	$18,330,375

Thus it will be noticed that our trade with the West India Islands, with which we have had constant regular steam communication since the year 1848, has steadily increased, and is still increasing, in a rapid ratio.

This is especially true of Cuba, our exchanges with which island have increased from $24,873,714 in 1853, to $46,428,434, in 1861. If the Spanish Government should take off its almost prohibitory duty upon flour, a great stimulus would be given to this trade; and there is little doubt that with the establishment of branch lines from our ports to the other islands, our commerce would be increased in a nearly equal ratio.

What more is necessary to show the importance of ocean steam navigation! We have seen that wherever steam communication has been maintained by Great Britain, and not by us it has been followed by an immediate and rapid increase of her trade with that country, leaving in utter insignificance our own commerce. And, on the other hand, where we have established constant steam communication our trade has also been very largely increased. But this steam communication is only maintained by Great Britain at the cost of Government subsidies, and cannot be maintained without such subsidies. Should, then, Congress hesitate to lend to commerce the assistance necessary, thus aiding in developing the resources and adding to the wealth of the nation?

COMMERCIAL LAW. No. 11.

PARTNERSHIP.

WHAT A PARTNERSHIP IS.

When two or more persons combine their property, labor, or skill, for the transaction of business for their common profit, they enter into partnership. Sometimes the word "firm" is used as synonymous with partnership; sometimes, however, it seems to mean only the copartnership-name.

A single joint transaction, out of which, considered by itself, neither profit nor loss arises, will not create a partnership. If a joint purchase be made, and each party then takes his distinct and several share, this is no partnership. But it seems that there will be a partnership if the joint transactions actually and materially enlarge the value of the property, although the respective shares are divided among the holders without a sale. But a joint contract to do a piece of work, if the price for it is to

be divided immediately among those entitled to it, will not make them partners.

Any persons competent to transact business on their own account may enter into partnership for that purpose; and no others.

HOW A PARTNERSHIP MAY BE FORMED.

No especial form or manner is necessary. It may be by oral agreement, or by a written agreement, which may have a seal or not. But the liability and authority of the partners begin with the *actual* formation of the partnership, and do not wait for the execution of any articles. In general, if there be an agreement to enter into business, or into some particular transaction, together, and share the profits and losses, this constitutes a partnership, which is just as extensive as the business proposed to be done, and not more so. The parties may agree to share the profits in what proportion they choose; but in the absence of any agreement, the law presumes equal shares.

They may agree as to any way of dividing the losses, or even that one or more partners alone shall sustain them all, without loss to the rest. And this agreement is valid as between themselves; though not to protect against third parties those partners who were to sustain no loss, unless the third parties knew of this agreement between the partners, and gave credit accordingly. The rule seems to be, that, if exemption from loss is claimed on account of any special limitation of the partners' authority to bind the firm, mere knowledge of such limitation will affect third parties. But an agreement exempting partners from loss generally, or from loss beyond the amount invested, will only operate between the partners, unless it can be shown that the third party not only knew the agreement, but contracted with the firm on the basis of this agreement. In general, each partner is absolutely responsible to every creditor of the copartnership, for the whole amount of the debt. And if thereby obliged to suffer loss, his only remedy is against the other partners.

Although partners may agree and provide as they will in their articles, a long neglect of these provisions will be treated by a court of equity, and perhaps of law, as a mutual waiver of them.

Persons may be liable as partners to third parties or strangers, who are not partners as between themselves. Whether they are partners as to each other would generally be determined by the intention of the parties, as drawn from their contract—whether oral or written—under the ordinary rules of evidence and construction. But whether one is liable as a partner to one who deals with the firm, must depend in part upon his intention, but more upon his acts; for if by them he justifies those who deal with the firm in thinking him a partner in that business, he must bear the responsibility; as if he declare that he has a joint interest in the property, or conducts the business of the firm as a partner, accepting bills, or suffers his name to be used upon cards, or in advertisements, or on signs, or in any similar manner. The declarations or acts of one cannot, however, make another liable as partner, without co-operation or consent, by word or act, on his part. The true rule, we think, is this: that one who thus holds himself out as a partner, when he really is not one, is responsible to a creditor who on these grounds believed him to be a partner; but not to one who knew nothing of the facts, or who, knowing them, knew also that this person was not a partner.

A *secret* partner is one who is actually a partner by participation of profit, but is not avowed or known to be such; and a *dormant* partner is one who takes no share in the conduct or control of the business of the firm. Both of these are liable to creditors, even if the creditors did not know them to be members of the firm, on the ground of their interest and participation in the profits, which constitute, with the property of the firm, the funds to which creditors may look for payment. A *nominal* partner is one who holds himself out to the world as such, but is not so in fact. He is liable to creditors of the firm, on the ground that he justifies them in trusting the firm on his credit, and, indeed, invites them to do so, by declaring himself to be a partner.

The principal test of membership in a merchantile firm is said to be the participation in the profits. Thus, if one lend money to be used in a business, for which he is to receive a share in the profits, this would make him a partner; and if he is to receive lawful interest, and, in addition thereto, a share of the profits, this would make him liable as a partner to a creditor, although the borrower might, in some cases, treat the transaction as a usurious loan, and on that ground defend himself if sued for the money.

Sometimes a clerk or salesman, or a person otherwise employed for the firm, receives a share of the profits, instead of wages. Formerly it was held, but, as we think, on insufficient authority, that if such person received any certain share, say "one tenth part of the net annual profits," this made him a partner; but if he received "a salary equal in amount to one tenth of the net profits," this did not make him a partner. We apprehend, however, that now the courts would look more at the actual intention of the parties, and their actual ownership of an interest in the funds of the partnership, and not be governed by the mere phraseology used. If in fact he works for wages, although these wages are measured by the profits, he is no partner, and therefore not liable for the debts, as every partner is.

Hence, factors and brokers for a commission on the profits, masters of vessels who engage for a share of the profits, or seamen employed in whaleships, are none of them partners.

A partnership usually has but one business name; but there does not seem to be any legal objection to the use of two names, especially for distinct business transactions; as A. B. & Co. for general business, and the name of A. B. only for the purpose of making or indorsing negotiable paper.

HOW A PARTNERSHIP MAY BE DISSOLVED.

If the articles between the partners do not contain an agreement that the partnership shall continue for a specified time, it may be dissolved at pleasure by either partner. In this country, however, we have good authority, as well as good reason, for saying that no partner can exercise this power wantonly and injuriously to the other partners, without making himself responsible for the damages he thus causes. If there be a provision that the partnership shall continue a certain time, it should be regarded as binding; and this probably may be inferred from circumstances; but only from those of a very significant and decisive character. Thus, it would not be inferred from merely hiring a counting-room or a store for a certain time, and seldom from any single contract for a time certain;

but it might be inferred from a course of business and a number of contracts, all calculated to terminate at a particular time.

If either partner were to undertake to assign his interest, for the purpose of withdrawing from the firm, against the will of the partners, without good reason, and in fraud of his express agreement, a court of equity might interfere and prevent him. For the assignment of a partner's interest, or of his share of the profits, operates at once a dissolution of the partnership.

Such assignment may transfer to the assignee the whole interest of the assignor, but cannot give him a right to become a member of the firm. There seems to be an exception to the rule where the partnership is very numerous, and the manner of holding shares, by scrip or otherwise, indicates the original intention of making the shares transferable. Such a partnership is in effect a joint-stock company; which form of association is common in England, and there regulated by many statutes; but it is not usual here, because incorporation is better and easily obtained.

Death operates a dissolution; and the personal representatives of the deceased do not take his place, unless there be in the articles an express provision that they shall. And such provisions are construed as giving the heirs or personal representatives the right of electing whether to become partners or not. If either party is unable to do his duty to the partnership, as by reason of insanity, or a long imprisonment; or if he be guilty of material wrong-doing to the firm; a court of equity will decree a dissolution. And if the original agreement were tainted with fraud, the court will declare it void, from its beginning.

Whenever a court of equity decrees a dissolution of the partnership, it will also decree that an account be taken between the partners, if requested by either partner. And if necessary to do justice, it will decree a sale of the effects and a distribution of the proceeds, after a consideration of all the facts of the case and the whole condition of the firm. Such a decree will be made if a partner die or become bankrupt. If the whole interest of a copartner is levied upon and sold on execution, this makes a dissolution, and the purchaser becomes—like every other assignee of a partner—not a partner, but only a tenant in common (that is, a joint owner) with the other partners; but if the levy and sale are only of a part, which may be severed from the rest, this may not operate a dissolution except as to that part.

If one partner retires, this operates in law a dissolution, and the remaining partners constitute in law a new firm, although in fact the old firm frequently continues and goes on with its business, with or without new members, as if it were the same firm.

The partner retiring should withdraw his name from the firm, and give notice, by the usual public advertisement, of his retirement, and also, by personal notice, by letter or otherwise, to all who usually do business with the firm; and after such notice he is not responsible, even if his name be retained in the firm by the other partners, without his consent. Nor is he responsible to any one who has in any way actual knowledge of his retirement. A dormant or secret partner is not liable for a debt contracted after his retirement, although he give no notice; because his liability does not rest upon his giving his credit to the firm, but upon his being actually a partner.

THE PROPERTY OF THE PARTNERSHIP.

A partnership may hold real estate, as well as personal estate. But the rules of law in respect to real estate, as in relation to title, conveyance, dower, inheritance, and the like, make some difference. As far, however, as it is compatible with these rules, it seems to be agreed that the real estate of the partnership shall be treated as if it were personal property, if it have been purchased with the partnership funds, and for partnership purposes.

There is some difficulty in explaining this matter to those who are not acquainted with the peculiar law of real estate. Thus, no sale of land is valid except by deed, recorded; and only one who is thus a grantee under seal by record has a *legal* title. But a court of equity acknowledges and protects an *equitable* title in those who really possess all the interest in the land; as partners do who have paid for it, though it stands in the name of one partner only. But a court of equity cannot disregard the laws of conveyance and record, and therefore says that this partner is the only *legal owner*, but that he owns the land as *trustee* for the firm. And then they compel him to sell it, or otherwise dispose of it, as the interests of the firm or of their creditors require.

So land thus purchased does not go to the heirs of the partner or partners in whose name it may stand, but is first subject to the debts of the firm, and then to the balance which may be due to either partner on winding up their affairs. But when these debts and claims are adjusted, and surplus of the real estate will then descend as real estate, and not as personal estate.

Improvements made with partnership funds on the real estate of a partner will be regarded as partnership property.

The widow has her dower only after the above-mentioned debts and claims are adjusted. And while the legal title is protected, as it must be for the purpose of conveyance and other similar purposes, the person holding this legal title will be held a trustee for the partnership, if the partnership be entitled to the beneficiary interest. But a purchaser of partnership real property, without notice or knowledge, from a partner holding the same by a legal title, is protected against the other partners. If, however, the purchaser has such knowledge, the conveyance may be avoided as fraudulent, or he may be held as trustee, the land being in his hands chargeable with the debts and claims of the partnership.

THE AUTHORITY OF EACH PARTNER, AND THE JOINT LIABILITY OF THE PARTNERSHIP.

This authority is very great, because the law-merchant makes each partner an agent of the whole partnership, with full power to bind all its members and all its property, in transactions which fall within the usual business of the firm; as loans, borrowing, sales, even of the whole stock, pledges, mortgages, or assignments; and this last, we think, extends even to an honest and prudent assignment of the whole stock and personal property to trustees to pay partnership debts. It extends to the making or indorsing negotiable paper; and to transactions out of the usual business of the firm, if they arose from and were fairly connected with that business. Nor is any party dealing with a partner affected by his want of good faith towards the partnership, unless he colluded with the partner,

and participated in his want of good faith, by fraud or gross negligence. Thus, a holder of a note or bill signed or indorsed by a partner without authority, has no claim against the partnership, if he knew or should have known the want of authority. A partner cannot, in general, bind the firm by a guaranty, a letter of credit, or a submission to arbitration, without express, or a distinctly implied authority, because these things do not belong generally and properly to commercial business. But anything so done by a partner may be adopted and ratified by the partnership, and then it has the same force as if originally authorized. And this ratification may be formal and express, or consist only of acts which distinctly imply it; such as assenting to and acting with reference to it; and especially receiving and holding the beneficial results of it; as, for example, taking and holding money paid for it.

By the earlier and more stringent rules of law, a partner could not bind his copartners by an instrument under seal, unless he was himself authorized under seal; and their subsequent acknowledgment of his authority did not cure the defect. It seems now, however, to be the law of this country, that a partner may bind his firm by an instrument under seal, if it be in the name and for the use of the firm, and in the transaction of their usual business, provided the other copartners assent thereto before execution, or adopt and ratify the same afterwards; and they may assent or ratify by parole as well as by seal; or provided he could have made the same conveyance, or done the same act effectually, without a deed. And a deed executed by one partner in the presence and with the assent of the other partners, will bind them.

A partnership has no seal at law, and can have none; only a person, or corporation, which is a person at law, can have a seal. Instruments are sometimes executed, "A. B. & Co.," and a seal is affixed to the name. This is, strictly speaking, no seal at all; and if the instrument needs a seal to make it valid, as if it were a deed of land, it would, at law, be wholly void. But the courts in some of our States are somewhat lax on this subject, and might construe it as the seal of each one of the partners, to give the instrument validity. We are not sure, however, that this would be done anywhere.

Whether a majority of the members may conclusively bind the minority, may not be settled; but, upon better authority and the better reason, we should say not, unless in reference to the internal concerns of the firm; as, for example, the salary or appointment of a clerk, the hiring or fitting up of a counting-room, the manner of keeping accounts, and the like. It seems to be settled that one member may, so far as he is concerned, arrest a negotiation which was only begun, and prevent a bargain which would be binding on him, by giving notice to the third party of his dissent and refusal in season to enable him to decline the bargain without detriment.

Partners must act *as such*, to bind each other. Thus, if a partner makes a note and signs it with his own name and his partner's name, as a joint and several note, it does not bind his partner, for he had no authority to make such a note.

If the name of one partner be also the name of the firm—for John Smith and Henry Robinson may do business as partners under the name of "John Smith"—this name is not necessarily the name of the firm when used in a note or contract; and if the partner whose name is used carries

on mercantile business for himself, it will not be supposed to be used as the name of the firm, without sufficient proof.

Persons may give a joint order for goods without becoming jointly liable, if it appear otherwise that credit was given to them severally. Nor will one have either the authority or the obligation of a partner cast upon him by an agreement of the firm to be governed by his advice. Nor shall one be charged as partner with others, unless he has incurred the liability by his own voluntary act.

The reception of a new member constitutes, in law, a new firm; but the new firm may recognize the old debts, as by express agreement, or paying interest, or other evidence of adoption, and then the new firm is jointly liable for the old debt. But there must be some fact from which the assent of the new member to this adoption of the old debt may be inferred for his liability is not to be presumed.

A notice in legal proceedings, abandonment to insurers by one who was insured for himself and others, a notice to quit of one of joint lessors or lessees who are partners in trade, notice to one partner of the dishonor of a note or bill bearing the name of the firm, a release to one partner, or by one partner—will bind all the partners; and render them jointly liable. But a service of legal process should be made upon each partner personally.

If money be lent to a partner, for partnership purposes, it creates a partnership debt; but not if lent expressly on the individual credit of the person borrowing; and not if the borrowing partner receives it to enable him to pay his contribution to the capital of the firm. Though the money be not used for the firm, if it was borrowed by one partner on the credit of the firm, in a manner and under circumstances justifying the lender in trusting to that credit, it creates a partnership debt. And if a partner uses funds in his hands as trustee, for partnership purposes, the firm are certainly jointly bound, if it was done with their knowledge. Whether they will be bound, if it was done without their knowledge, is perhaps doubtful. Generally, where the partners are distinctly and directly benefitted by a transaction, they will be deemed to have authorized it. Thus, if one partner purchases goods, and immediately they are used as the property of the firm, there would be a strong presumption that they were bought by him as a partner and for the firm.

If in any case the facts show that a person, knowing the existence of the firm, gave credit to a single partner, then he can look only to that partner, and not to the firm, although the money was applied to, and used for, partnership purposes. But if the partner hold himself out as borrowing for the firm, and the lender without any want of due care gave credit to the firm, and the transaction was a fair business transaction on the part of the lender, the firm will be liable, although the money is fraudulently appropriated by the partner to his own use.

In the absence of evidence showing to whom the credit was given, the fact that money lent to one partner was applied to the use of the firm, will make the firm liable for the payment; but not if the partner employed it as his contribution to increase the capital of the firm.

If the purchaser of goods or the borrower of money have a dormant and secret partner, and the goods were bought or the money borrowed for partnership purposes, the seller or lender may look to both partners for payment. But it follows from what has been already said, that if the

seller or lender knows all the partners, and gives credit to one only, he cannot look to the rest, although all the partnership takes and uses the goods or money.

The firm is liable only to one who deals with a partner in good faith. Thus, if one receives negotiable paper bearing the name of a firm, knowing that it is not in the business of the firm, and is given for no consideration received by the firm, he cannot hold the firm. And if a creditor of one partner receive for his separate debt a partnership security, this we should hold to be a fraud, unless the creditor could show that the partner had, or was supposed by him to have, the authority of the rest.

If he supposed the partner had this authority, he cannot hold the partnership if the partner had not the authority, unless the partnership had caused him to believe it. And if the partnership security be transferred for two considerations, one of which is private and fraudulent, and the other is joint and honest, it seems to be held that the partnership is bound for so much of it as is not tainted with fraud, and only for that.

The partnership may be liable for injury caused by the criminal or wrongful acts of a partner, if these were done in the transaction of partnership business, and if it was the partnership which gave to the wrongdoer the means and opportunity of doing the wrong. But an illegal contract will not bind the copartners, for the parties entering into it must be presumed to know its illegality; and the law enforces no bargain that is contrary to law.

Whether the acknowledgment of one who had been a partner, after the dissolution of the partnership, can take the debt out of the statute of limitations, so as to restore the liability of all the partners, has been much agitated. We consider, however, that it is now quite well settled in this country that it can have no such effect, on the ground that he has no longer the right or power to make a new promise for his former partners; and it is only as a new promise that an acknowledgment is a bar to the statute of limitations.

SILVER CURRENCY OF INDIA.

T. M. J.

Our readers are well aware of the tendency of the natives of India and China to hoard all the silver they can obtain. The increasing annual absorption of silver, resulting as it does from the constantly increasing prosperity of those countries, has not failed to attract serious attention. The importations of this precious metal into Bombay alone, for the three previous years, reckoning from April 30th to April 30th ensuing, have been as follows:

1860–61	rupees,	38,859,849
1861–62		66,471,563
1862–63		99,592,005
1st of May to 15th November		36,488,216

Hereafter the yearly payments to India must be largely increased with the increasing cotton trade. But whatever may be the increase, as fast as the rupees are coined, they are paid to the natives who carry them into the interior, where they are either secreted or converted into bangles. Thus it

appears that the mint is pitted against the miser's chest and the smelting pot, and the former seems to be completely outstripped. This annual withdrawal of such large quantities of silver from circulation, must, if continued indefinitely, seriously affect the money markets of the world, and the price of that metal be greatly increased. This would already have happened had it not been for the increased amount of silver exported from South America and Mexico.

The question of the present exact depreciation in the value of gold as compared with silver is one as yet far from settled. The price of silver is, however, pretty accurately determined by the rate at which it sells in London, the market for the world's supply. The ounce of gold in London, when the California mines were discovered, in 1848, was 77s. 6d., and the ounce of standard silver 59½d., or 15½ for 1. In 1862 the price of silver was 62½d., or a little more than 5 per cent. rise. This rise was created mainly by the large demand for silver for Asia, caused by the development of the industry of that region, as we have already stated, and by the extension of railroads and other works which drew capital from England. The demand was supplied chiefly from the French currency which had been mostly silver, while gold uniformly commanded a premium up to the time of the discovery of 1848. The influx of gold at that time soon destroyed the premium, and the demand for silver caused a slight premium for that article. The silver of France was thus gradually exchanged for gold, and India absorbed the silver in exchange for silks and other commodities. Now, that cotton at high prices is added to other articles for which silver must be sent to India, the question of its appreciation becomes a more serious one. At the same time, however, the Mexican and Western States' mines are throwing out largely increasing quantities. The exports from Mexico and South America have been, since 1857, as follows:

	Ounces.	London prices.
1858	9,017,458	61⅜
1859	11,909,246	62 1-16
1860	16,624,696	61 11-16
1861	19,954,001	60 13-16
1862	20,838,588	61 1-10
1863	———	61½

This largely increased production of silver is, to some extent, due to the cheapened cost of its production, caused by the quicksilver discoveries in California. The quicksilver is about ten cents of the cost of producing silver. Prior to 1850, the price of mercury had risen so high as to stop many of the Mexican mines. The effect of the California mines has been to reduce the cost of the article from 120 cents per pound in 1850 to 48 cents per pound in 1862. It has resulted that the production has greatly increased, and this has been followed by the increasing production of the new mines of the Western States.

Thus, up to this time, the increased demand has been supplied without serious difficulty. Yet, as the future will absorb even much larger amounts, if India will take nothing else for her cotton, some relief must be sought or the disturbance of the world's currency must follow.

How to cause the metal to return, or at any rate to decrease the amount to be secreted in the future, is an interesting problem. The mercantile community, not only of India, but of the world, cannot permit this absorp-

tion to continue, as it is apparent that it must lead to an exhaustion, or at least reticence of the supply; there appearing to be no limit to the capability, which the Indian Empire possesses, of affording storage for this precious metal. It may, indeed, happen, that the increased value will attract the coin already hoarded in the interior, but this would be at best but a relief to the Indian mercantile community, and only a temporary relief at that, liable to be followed by other seasons of scarcity.

The introduction of gold as the standard of the Indian currency is the plan proposed, since the immense supply which the mines produce renders the world better able to bear an annual loss of gold than of silver. This question is now being seriously discussed in India, and we believe at no distant day the plan will be adopted. Indeed, when we consider that, on account of the exclusion of that all-pervading metal from the currency of India, the gold of Australia and California has been carried to England and from England taken to the Continent, where it is exchanged for silver, and that silver brought back to England, and from there sent to India, when, if the standard of the currency was gold, that metal might be transported directly to the East, we can hardly believe that a system which excludes it from the currency will be continued. So unnatural is it that gold should be legal tender in India that, notwithstanding the fact that silver is the only currency, the receipts of gold at the port of Bombay have been as follows:

1860–1.....Rs.	25,033,294	1862–3.....Rs.	40,225,794
1861–2.....	28,539,425	May 1, to Nov. 15.	24,517,280

From the fact that the supply of gold is increasing much more rapidly than the supply of silver, an objection arises in the Indian mind to its adoption as currency. It is said that large governmental liabilities have been contracted, payable in silver, and the country cannot, without breach of faith, pay their debts in a more abundant and, consequently, cheaper metal. This objection doubtless has weight, but it is an objection easily answered. The Government could either pay in silver its debts already contracted, making all its subsequent liabilities payable in gold; or it could, without any breach of faith, give gold to its present creditors, making up to them the amount they would otherwise have lost, on account of the depreciation of that metal. Of course, no great reform could be effected without some objections; but, in the present case, the advantages to the commercial world are so great that it is hard to see why the measure has not long since been adopted. The one fact that it would tend to check the absorption, and consequent enhancement in the value of silver, will, we think, ultimately lead to its adoption. At present, every piece which a native becomes possessed of is secreted, and retired from circulation. The gold coins, however, being of greater value, would not so easily fall into his hands, and concealment of the silver token coins, which are of less value than the amount they represent, would not so rapidly decrease the circulating amount of that metal; and if the decrease is thus checked the rise in price must be checked also. With a gold currency, moreover, the natives might be willing to exchange some of the hoarded silver for gold, and some of that metal already withdrawn might be unearthed.

The advantages to India itself, however, can hardly be exaggerated. It would insure a rapid supply of the circulating medium, to meet all demands in time of pressure. The mint is unable to coin the silver into rupees as

fast as they are required; but with a gold currency the power of the mint would be increased ten-fold, and the arrival of one steamer would be able to supply the market, and change scarcity into abundance. Then, again, it would promote intercourse with the neighboring nations. It does seem truly as if something were wrong, when a country, with abundance of gold at hand, is forced to traverse half the earth in quest of silver to deal with a market at its very door.

The Indian mercantile community have long been anxious for the change. The reform may be said to be merely a question of time; but, as with all other reforms, so here—the governing and power-holding body seems to be the very last that is able to discern its propriety.

COMMERCIAL CHRONICLE AND REVIEW.

GENERAL STATE OF BUSINESS—CHANGE IN THE VALUE OF MONEY—CAUSES AT WORK—UNITED STATES LOAN—BANKS—RETURN OF MONEY—LEGAL TENDERS PAID OUT—USED AS CURRENCY—BANK DEPOSITS—EFFECT OF LEGAL TENDERS—FLUCTUATIONS—PRICE OF STOCKS—FIVE PER CENT STOCK—EQUIVALENT VALUES—UNITED STATES DEBT—INCREASE OF—TELEGRAPHS—STOCK MARKET—RISE IN PRICES—IMPORTS AND EXPORTS—PRODUCE TRADE—DECLINE IN BILLS—PRICES—SPECIE MOVEMENT—GOLD BILL—ITS EFFECTS.

THE general business of the past month has been unusually quiet, since the spring business has been backward, with a downward tendency in the export markets. The financial aspect has, however, undergone a great change; since money, from being very hard to borrow at seven and eight per cent, has become profusely abundant at five per cent. The leading causes of this great change have been the operations of the Treasury department. During the months of November and December, a regular and persistent demand for the Government stocks caused a drain into the Treasury of an average of over two millions per day. That is, from October 1st, to December 1st, about $221,500,000 of five-twenty six per cent stock was subscribed for, and the price of capital naturally rose under such an absorption. In the same period, about $100,000,000 were withdrawn from investments in the five per cent certificates of deposits and in the one-year six per cent certificates. Nevertheless, this operation was accompanied by a great demand for money at the West to move the crops, and also a considerable demand for the use of the army and the Western expenses of the Government. All these circumstances naturally combined with the delay of the Government to pay the banks the $50,000,000 it had borrowed of them, to make a very dear rate of money. With the beginning of January, however, the Government loan was all closed out, and that outlet for money was stopped. At the same time, the Treasury paid the banks their $50,000,000 loan in five per cent legal tender notes. The return of money from the West then began to set the current in a contrary direction, aided by the funds which had been paid out to the army and which, percolating through the channels of trade, began to reappear at the financial centres. The five per cent legal tenders, which it was supposed would be taken up for investment, proved only to be serviceable as a currency; since, when money was active at seven and eight per cent, no one would afford to let his money lie in a five per cent paper. The notes were therefore freely poured out over the counter and into the Treasury, no account being

taken of the interest. The Treasury, at the same time, receiving no longer any income from the sale of stocks, began to pay out freely one-year five per cent legal tenders, without coupons attached. These notes were, on being paid out, stamped with the date of issue, so that the whole draw interest up to the 1st of June. These were paid in and out of the Treasury without regard to interest. It resulted, from all these circumstances, that money rapidly became easy; and we call attention to the bank statements on another page, where the swelling deposits and loans indicate the progress of the money accumulation. The rates of money fell to five per cent. Under these circumstances, a change took place in the use of the five per cent legal tenders. They were, to some extent, taken up for investment, but the objection to them is, that unless the holder keeps them until the maturity of the coupons, June 1st, he will lose the interest. Hence, the notes are not available like other paper, at will. The banks, and others who held them and anticipated being called upon to use them, therefore deposited them with the Treasury in exchange for five per cent certificates of deposits, because these will bear the same interest and will be available at thirty days' notice. The banks deposited about $7,000,000 in this manner, to use the certificates in the Clearing-house. The volume of the five per cent legal tenders is rapidly increasing under the payments by the Government, and it is manifest by the 1st of June some $200,000,000 will be outstanding, of which $50,000,000 will have full coupons from December 1st, and the balance fractional coupons, of all dates, from the close of January up to the 1st of June. As the time for payment approaches, all these will be of increasing value, but on the 1st of June the whole volume will be converted into money; because as soon as the coupon is paid they are again but a legal tender currency which will be gradually taken up for investment after three months, when the next coupon payment draws near. If the whole amount of that currency authorized is put out, it will, every six months, cause a flood of 400,000,000 money suddenly to seek investment, and must produce extraordinary results. This might, to some extent, be guarded against by dividing the series and making the interest payable at different times.

The growing abundance of money has caused stocks generally to rise. The prices of Government's have been as follows:

PRICES UNITED STATES PAPER.

	—6's, 1881.—			7 3-10,	1 year certif.		
	Reg.	Coup.	5's, 1874.	3 years.	Old.	New.	Gold.
January 2.....	104¼	105¼	96	106¼	101¼	97¼	151¼ a 151¾
" 9.....	104¼	105¼	96	106¼	102	97¼	152 a 152¼
" 16.....	104	105¼	96	106¼	102¼	97¼	155 a 155¼
" 23.....	106	107	97	107	103	97	156 a 158
" 30.....	106¼	106	100	107¼	102¼	97¼	156¼ a 156¾
February 6.....	107¼	107¼	100	108	102¼	98¼	159¼ a 159¾
" 13.....	109¼	109¼	100	109¼	103	98¼	159¼ a 159¼
" 20.....	111¼	110	100	111	103	99¼	159¾ a 161

The gradual rise of the 6 per cent stocks, it is supposed, will provide the way for the negotiation of the $900,000,000 of 10-40 stocks at 5 per cent interest. These stocks are the only ones that by the terms of the law creating them are made payable in coin. All others are payable in greenbacks or national bank notes. Should the debt, however, reach such a magnitude as to make it necessary that it should remain as a permanent debt, all the stocks would be on the

same footing, but their value would depend upon the interest each bears. The equivalent for a 5 per cent stock at par in a 6 per cent stock is 120. The only difference in that case, then, between the 5-20 and the 10-40 would be, that the interest of the latter may be reduced after ten years and the former after five years. That is, in case the war should cease and money become so abundant in 1867 that the Government could borrow at 5 per cent, then it would reduce the interest of the 5-20s to that rate. The amount of the Federal debt, February 2, was as follows:

5 per cent deposit loan	$31,842,143
7.30s, 3 years	139,536,450
6s, twenty years	50,000,000
6s, old debt	67,221,591
6s, one year	1,016,000
6s, five-twenties	503,005,173
6s, certificates	137,980,950
5s, legal tenders	52,074,445
6s, two years	82,600
United States notes	450,785,004
United States notes, factional	18,246,290
Total, February 2, 1864	$1,451,850,654
" September 30, 1863	1,222,114,559
" June 30, 1863	1,098,793,181

The increase of debt from October 1, to February 1, was $229,000,000; but the increase in 5-20 stock outstanding was $222,000,000, showing that nearly the whole was in the long loans of the Government; and this process of absorbing capital was attended by a considerable rise in the price of money. The chief employment for money has been in the stock market, where a continued and large rise of prices has taken place. The influence of the telegraph upon the speculative movement in the cities is very great, and large amounts of money are sent into the street for employment. The value of the stocks habitually upon the New York market has risen over $200,000,000. Sixteen leading railroads have a capital of $126,000,000, of which in 1862 the market price was $70,000,000; it is now $150,000,000. A large portion of that advance of $80,000,000 has been realized by old holders of stocks, and consequently large means are in their power.

While money has been accumulatating and falling in value, general business has been by no means active. The imports and exports of the month of January were as follows:

NEW YORK TRADE, JANUARY, 1864.

IMPORTS.		EXPORTS.	
Consumption	$12,422,618	Domestic	$11,443,953
Warehouse	5,571,936	Foreign, free	42,232
Free	841,050	Foreign, dutiable	664,485
Specie	141,790	Specie	5,459,079
Total	$18,977,394	Total	$17,609,749
1863	15,739,576	1863	19,695,858
1862	12,620,829	1862	14,888,437

The exports, exclusive of specie, this year were $12,150,670, of which the cash value was $7,740,000. The amount of goods withdrawn from warehouse was $4,950,418, which made the amount of goods to be accounted for $18,355,876

showing the apparently large adverse balance of $10,600,000, which was mostly met by an export of $5,459,079 specie, and remittances for the remainder await the further movement of the spring trade. The customs of the port give, for seven months that have elapsed of the fiscal year, $41,222,512, against $31,318,635 last year—an increase of 33½ per cent.

The imports for the first three weeks of February were nearly $12.000.000, against a specie value of exports of about $7,000,000. The goods have not sold freely, since the spring has been backward. and, as a consequence, the demand for bills has been very limited, causing a heavy gold market and declining rates of bills, which have depressed the produce business and caused a great decline in the quality of grain and provisions exported. Since September 1 there has been nearly $12,000,000 less bills drawn against grain than for the corresponding season last year. The agitation of a bill before Congress to stop time dealing in gold altogether and to enable the Secretary to sell the gold accumulated in the Treasury had the effect of checking transactions, since many supposed that a sale of gold to the extent of twelve or fifteen millions would produce lower prices and, consequently, a better opportunity to remit. The prices of bills were as follows:

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 2,	166 a 166½	3.38¾ a 3.34½	62½ a 63	62⅝ a 63¼	55½ a 56	110¼ a 111
" 9,	166½ a 167⅝	3.38½ a 3.40	62⅝ a 63	62⅝ a 63¼	55⅝ a 56½	110½ a 111
" 16,	169½ a 170⅝	3.30 a 3.32½	64 a 64½	64½ a 64⅝	56½ a 57½	112⅜ a 113⅝
" 23,	170 a 171	3 31 a 3.33	64½ a 64½	64½ a 65	56⅝ a 57	112⅝ a 113⅝
" 30,	171 a 172	3.32½ a 3.28½	64½ a 64⅝	64½ a 65	57½ a 57½	113½ a 114
Feb. 6,	174 a 175	3.26½ a 3.28⅝	65½ a 65⅝	65½ a 66	58 a 58½	115 a 116
" 13,	173 a 174½	3.27½ a 3.28½	65 a 65½	65½ a 65½	58½ a 58½	115½ a 116½
" 20,	172½ a 174	3 27½ a 3.23⅝	65½ a 65⅝	65½ a 65⅝	58½ a 58½	115½ a 116

The leading houses had little disposition to draw direct unless covered at once by commercial bills or gold. The importers were disposed to buy for remittance only when sales were made, and these were made very slowly. There was some business done in options by those who looked for a rise. The gold movement was as follows:

SPECIE AND PRICE OF GOLD.

	1863.		1864.			
	Received.	Exported.	Received.	Exported.	Gold in bank.	Prem.ongold.
January 2.	.....	681,448	254,239	590,262	25,161,935	51¼ a 52
" 9.	1,277,788	726,746	.....	1,216,204	25,122,002	51⅝ a 52
" 16.	.....	1,380,247	279,801	1,985,057	24,884,264	52¼ a 56½
" 23.	678,841	780,817	365,608	1,000,000	.....	56 a 58
" 30.	.....	1,331,027	324,864	668,747	24,203,632	56¼ a ...
February 6.	301,860	1,277,000	... ...	662,616	24,070,191	59¼ a ...
" 13.	359,987	1,152,846	363,198	1,219,808	23,521,453	59¼ a ...
" 20.	.....	520,017	.....	325,632	22,523,918	61 a ...
Total....	2,618,467	7,850,148	.....	7,668,356	.....	

The amount of gold in bank continued steadily to decrease, under the exports and the absorption into the Treasury for duties. The amount then held in all the depositories was placed at $24,000,000, with the probability of some $30,000,000 being added up to July 1, from customs, which would give a supply of $54,000,000. The law of February 25, 1862, authorizing the creation of $500,000,000 of 5-20s six per cent stock, just sold by the Government, contains

the following: Section 5 provides that duties shall be paid in coin, and the coin so paid shall be set apart as a SPECIAL FUND, and shall be applied as follows:

First, To the payment of the interest on the bonds and notes of the United States.

Second, To the purchase or payment of one per centum of the entire debt of the United States, to be made within each fiscal year after the 1st day of July, 1862, *which is to be set apart as a sinking fund*, and the interest of which shall in like manner be applied to the purchase of or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

Under this clause, the debt being, as above, in round numbers $1,500,000,000, $150,000,000 is applied to the purchase of stock for the sinking fund, an operation apparently desirable if the amount in the Treasury should suffice for the interest. The interest payments are nearly as follows:

February 19,	interest on	7.30 bonds	$1,825,000
March 1,	"	"	1,825,000
March 1,	"	one-year certificates	5,000,000
May 1,	"	" 5-20 certificates	15,090,000
July 1,	"	long stocks	4,500,000
Total interest			$28,240,000
Supply as above			54,000,000

This would apparently leave $26,000,000 of gold that might be disbursed for the sinking fund. A bill was introduced in the House to permit the Secretary to sell this gold and apply the money to general purposes, thus repealing this sinking fund. The plan was not regarded with favor, but the agitation of it caused a dullness in the market, which was aided by the rumors of great success at the South by which much cotton would be captured.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

NATIONAL BANKS VS. STATE BANKS—CITY BANK RETURNS—NEW YORK, PHILADELPHIA, AND BOSTON—RETURNS OF THE BANKS OF NEW YORK STATE—RETURNS OF THE SAVINGS BANKS OF NEW YORK—EUROPEAN FINANCES.

NATIONAL BANKS VS. STATE BANKS.—The contest between State and National banks continues to increase in interest, the State institutions fighting for life, the national for supremacy. During the past month the old banks have been endeavoring to fix upon some line of action which shall relieve them, or, we might say, place them on an equality with the new institutions so far as privileges and exemptions are concerned. Application has been made to the State Legislature, seeking the removal in part of their present taxes. This, however, was refused; and yet we cannot see on what ground, since if they are driven into the national system they will owe no allegiance to State authority, and the city and State will thus lose millions of dollars of taxes. The old banks now propose a visit to Washington.

What benefit the national finances are to receive by this war on the old banks we cannot understand. Let a good national system, properly restricted and guarded, be tried, if desired by any number; but why destroy our present organizations? Why not give equal privileges to both, and let them stand on

their own merits? If one class is to be freed from taxation, why not the other? Certainly, we think that institutions which have served the country as faithfully as they have during this war, loaning to Government at an hour when all others hesitated, deserve some consideration.

The formation of the new national banks is very rapid, the plates for their notes are being prepared, and they go into operation as fast as they can file their papers and procure their notes. There are now nearly two hundred and fifty in the various States, of an average capital of less than $100,000 each.

The new and old bank circulations for the present do not come much in conflict, for the reason that the new national bank currency does not yet exist, and will not probably, in any appreciable quantities, for a year to come. The amount of notes as yet paid out is not more than $2,000,000 to all the banks in all the States. The principal business of the institutions seems at present to be to receive the public money on deposit without giving security, and lending it back to the Treasury on five per cent certificates of deposit. The operation is profitable to the banks, but where the Department finds its account in the transaction it would be difficult to discover. Individuals as yet do not deposit in the new banks, for the reason that unless they deal exclusively with them, they, by so doing, would put their funds out of the circle of business The old banks will not receive checks on national banks; hence, deposits in a new bank must be drawn out and exchanged for other money before they are applicable to payments in the old banks. This is the general rule with the old banks for the present, with some exceptions.

The idea that this circulation of these new banks is a "uniform" currency certainly cannot be seriously suggested. In previous numbers we have shown its fallacy, and we only refer to it again because we find it so repeatedly stated. A paper currency cannot be entirely uniform, because it is not itself capital—it only represents capital, and that only capital moving to market, if it is a sound paper currency. If it is not a sound paper currency it is simply a cheat, and has no approach to uniformity. A sound paper currency is one uttered for the movement of goods or produce to market, and returns upon the issuer with the sale of those goods. Thus the sixty day note of a dealer is given a bank, which issues its notes. These are paid out, perhaps, in the purchase of wool, which wool being forwarded to market and sold cancels the note and returns the bank bills to the issuer. The bank notes are continually running back for payment, as fast as they are put out. No bank can put out more in its locality than will represent the exact amount of local productions of wealth, which productions accompany the notes to market and accomplish their payment regularly, within a few weeks at most. If more notes are put out than are thus demanded by created wealth, they must be paid in specie on demand. These circumstances constitute "uniformity;" and the New England currency, although mostly unsecured, is the most uniform in the world, because, under the system of close redemption, it uniformly retains its perfect relation to the productions of the section, rising and falling in volume with the quantity, greater or less, at each period of the year. If any of these notes get out of the circle of redemption by being sent west, they bear a discount, greater or less, in proportion to the cost of sending them home.

In the case of these new banks, their notes are issued without regard to re-

demption, convertibility, or the demands of trade. For instance, they are not redeemed anywhere except at the point of issue. A national bank in Oregon may pay out its notes, and may circulate them here; but these notes can only be redeemed by sending them to Oregon, and, therefore, to know their real value here, we must deduct the cost of sending them to the point of issue. Hence, notes issued in Oregon, Kentucky, Illinois, Ohio, etc., will in New York, for instance, be at all shades of discount, according to the expense of returning each of them for redemption. An Oregon bank-note will evidently, therefore, be worth less than one uttered by a bank in Illinois, etc. To say, therefore, that these notes constitute a uniform currency, because they are all issued on the deposit of Government bonds, and are numbered and have pictures alike on them, is as reasonable as to suppose that all dealers would be alike solvent and trustworthy, because they started with equal capital, and kept their signs all of one color and their coats all of the same cut. If the Department would require the notes to be redeemed in some of the principal cities, one great defect of the system would be remedied. We trust that Congress will see to it that the law is amended in this respect, at least.

City Bank Returns.—The bank returns of this city present important changes. The most of the specie now held by them—that is, about $20,000,000—belongs to them, and will not be sold in any event. The remainder—about $2,500,000—belongs to special depositors, and this has regularly diminished from $18,500,000 in October last, while the amount with the United States Treasurer has increased until now it has reached about $20,675.021. The circulation is nearly a fixed quantity, and plays no important part in the routine of business, since the banks act almost entirely with Government currency, both that which bears interest and that which does not. It is the Government issues that are chiefly instrumental in working the changes that appear in the bank returns from month to month. Thus the swell of the autumn business in October carried the deposits of the banks to a high figure, and they employed them in the loan of $35,000,000 at 6 per cent to the Treasury, carrying the loans to their highest point in October. In January the Government paid off the loan in 5 per cent legal tender notes. The large subscriptions to the five-twenties had absorbed a great deal of money, and had caused a rise of interest to 7 a 8 per cent.

The five per cent legal tenders at such a rate of interest were not available as an investment, and were used as a currency. Hence they did not appear in the bank "loans," that term embracing everything that draws interest. The loans therefore fell to a very low figure at the close of January. A new state of affairs then presented itself: the subscriptions to the five-twenties being closed at a time when the money that had been going West during November and December to move crops and to pay troops was on its return, this money met the new currency paid out by the Government at the rate of $2,000,000 per day, and there could not but be a plethora of money. Accordingly in four weeks the deposits have risen $18,000,000, and in the last two weeks the loans have risen $5,000,000, and interest has fallen to 5 per cent.

The Boston and Philadelphia banks will be found to have been similarly affected by like causes. We give below the returns to the latest dates:

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan.*, 1864, $————; *Jan.*, 1863, $69,494,577.)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 2,..	$174,714,465	$25,161,935	$6,103,331	$140,250,856	$300,753,147
" 9,..	173,009,701	25,122,002	6,039,546	134,861,977	387,546,217
" 16,..	165,991,170	23,884,264	6,008,182	130,311,046	416,962,806
" 23,..	162,925,880	24,077,513	5,949,807	130,136,203	460,811,543
" 30,..	162,296,896	24,203,632	5,913,558	130,665,415	427,306,608
February 6,..	163,076,846	24,070,791	5,974,762	133,849,042	425,430,985
" 13,..	165,090,329	23,521,453	5,916,707	140,464,616	467,751,745
" 20,..	168,302,935	22,523,918	5,908,394	148,014,106	514,887,411

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan.*, 1863, $38,231,700; *Jan.*, 1862, $38,231,700.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,..	$76,805,843	$7,508,889	$9,625,043	$32,525,679	$12,831,000	$12,351,500
" 11,..	77,747,734	7,531,195	10,185,615	31,524,185	12,703,600	11,019,000
" 18,..	75,877,427	7,464,511	9,963,389	31,151,240	12,041,000	11,769,000
" 25,..	74,146,000	7,440,000	9,729,000	30,893,000	11,106,700	12,227,000
Feb 1,..	73,959,175	7,385,413	9,660,163	30,655,782	10,825,000	11,854,500
" 8,..	71,765,122	7,265,104	9,579,020	30,030,292	11,315,000	12,272,000
" 15,..	71,088,849	7,224,924	9,741,471	30,412,647	11,615,000	13,418,000
" 22,..	71,074,000	7,215,500	9,411,000	31,831,000	11,329,600	14,925,400

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan.*, 1863, $11,740,080; 1862, $11,970,130.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,...	$35,698,808	$4,158,585	$2,055,811	$29,878,920	$4 316,763	$2,963,563
" 11,...	35,458,967	4,158,235	2,050,891	30,484,227	4,001,473	2,814,188
" 18,...	34,896,842	4,158,125	2,044,427	31,194,851	4,330,120	3,063,148
" 25,...	34,849,959	4,103,065	2,047,846	32,354,253	3,500,693	2,905,921
Feb. 1,...	34,345,126	4,108,109	2,056,532	32,027,147	3,453,431	3,271,306
" 8,...	34,146,677	4,102,671	2,066,069	31,033,030	4,080,059	2,461,873
" 15,...	34,590,880	4,102,748	2,079,061	29,911,704	4,322,609	2,080,750
" 22,...	35,059,676	4,102,588	2,119,488	30,783,741	4,463,751	2,099,778

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned:

Jan. 4.....	$6,080,211	Feb. 1.....	$10,040,972
" 11.....	6,325,828	" 8.....	9,869,478
" 18.....	9,486,078	" 15.....	9,446,705
" 25.....	9,776,424	" 22.....	9,940,174

RETURNS OF THE BANKS OF NEW YORK STATE—The following shows the aggregate of the resources and liabilities of the banks of the State of New York, as exhibited by their reports to the Superintendent of their condition on the mornings of December 26, and September 26, 1863:

LIABILITIES.

	Dec. 26, 1863.	Sept. 26, 1863.
Capital.....	$109,535,785	$109,258,147
Circulation.....	36,934,255	33,423,230
Profits.....	21,269,188	17,119,176
Due banks	43,124,671	48,605,902
Due individuals and corporations other than banks and depositors.....	3,307,015	2,745,869

Due Treasurer of the State of New York		5,238,155		4,389,248
Due depositors on demand		222,645,314		233,611,282
Amount due not included in either of the above heads		3,433,424		25,971,848
Add for cents		510		525
Total		$445,638,312		$475,125,227
RESOURCES.				
Loans and discounts		$193,781,315		$203,462,460
Overdrafts	$592 and	642,708		568,495
Due from banks		21,713,285		21,949,185
Due from directors	$7,053,713	.....	$6,572,010	.....
Due from brokers	10,976,763	.....	14,722,547	.....
Real estate	6,500 and	8,627,977		8,865,541
Specie		26,685,669		31,071,759
Cash items		59,645,949		53,253,433
Stocks, promissory and U. S. 7.30 notes and indebtedness certificates	$705,700 and	102,346,931		120,856,200
Bonds and mortgages	82,000 and	5,473,517		5,579,543
Bills of solvent banks and U. S. demand notes		25,239,319		28,746,183
Bills of suspended banks	$65 and	302	$78 and	229
Loss and expense account		1,480,437		771,248
Add for cents		903		948
Total		$445,638,312		$475,125,227

To show the changes in the returns during the war, we give the movements since September, 1861, in the four principal items of the quarterly report:

	Circulation.	Deposits.	Specie.	Discounts.
September, 1861	$28,015,748	$111,895,016	$38,039,727	$176,055,848
March, 1862	28,330,973	121,988,259	34,301,092	162,017,987
June, 1862	33,727,382	150,438,244	32,882,693	184,501,261
September, 1862	37,557,373	186,390,795	39,283,981	165,584,063
December, 1862	39,182,819	191,537,897	37,803,047	178,922,536
March, 1863	35,506,606	221,544,347	36,802,438	183,864,089
June, 1863	32,261,462	218,717,725	40,250,309	188,617,438
September, 1863	33,423,230	233,611,282	31,071,759	203,462,460
December, 1863	36,934,255	222,645,314	26,685,669	193,781,315

RETURNS OF THE SAVINGS BANKS OF NEW YORK STATE.—The Superintendent of the Bank Department has transmitted abstracts of the annual report of the savings banks of this State, showing the condition of these institutions in January, 1864:

The whole sum represented in savings banks at the time stated was $98,881-171; of this amount $93,786,384 is directly due to depositors, and the balance consists of real estate, furniture and accumulated profits, amounting to $5,094,787.

The following comparative statements of the operations of the banks for the year ending 31st December, 1862 and 1863, will serve to mark the rapidity with which this trust is increasing in volume and value:

	1862.	1863.	Increase.
No. of institutions in operation	71	71	
No. of open accounts	347,184	400,194	53,010
Amounts due depositors	$76,538,183	$96,786,384	$17,248,201
" deposited	39,096,308	54,257,096	15,160,788
" withdrawn	28,897,495	40,257,953	11,360,458
" of interest recieved	24,167,005	5,074,759	907,751
" of interest, credit, deposit	3,079,302	3,760,524	681,222

The following summary shows the aggregate of the resources and liabilities of the Savings Banks of the State, as exhibited by their reports, January 1, 1864 :

RESOURCES.

Bonds and mortgages		$23,922,202
Estimated value of mortgaged premises	$56,402,975	
Stock investments		59,287,019
Par value of stocks	$59,348,844	
Estimated value of same	59,993,360	
Stocks on which money has been loaned par value	3,988,747	
Amount loaned thereon		3,409,219
" " on personal securities		372,926
Amount invested in real estate		1,237,532
Cash on deposit in banks		8,080,862
" hand		1,644,955
Amounts not loaned or deposited		692,522
Miscellaneous		233,934
Total		$98,881,171

LIABILITIES.

Amount due Depositors	$93,786,384
Miscellaneous	9,204
Excess of Assets over Liabilities	5,085,583
Total	$98,881,171
Total amount deposited during the calendar year of 1863	$54,257,096
" " withdrawn	40,257,953
" " received for interest	5,074,759
" " of interest placed to credit of deposits	3,760,524

Number of open accounts, 400,294.
Average to each depositor, $23,435.

Of the Stock investments reported, $31,635,752 is in United States Securities. Bonds and Mortgages have diminished $1,589,110. Loans on personal securities have increased from $174,717 in 1862 to $372,926 in 1863.

EUROPEAN FINANCES.—The Bank of England has again reduced its rate of interest to seven per cent, having raised it to eight per cent January 20th. The indications are, however, that it will return to the old figures very soon, and most likely go higher; for the same causes which have been in active operation ever since the breaking out of the war can but increase in energy while the war lasts. The foundation of the difficulty is, as we have many times stated before, the sudden withdrawal of American cotton from the markets of the world, and the necessity of supplying the demand from countries which will only take specie in payment. The following figures show the amount of cotton the United States has furnished the last three years, compared with the previous three years :

1858.....lbs.	1,118,624,612	1861 .....lbs.	307,516,099
1859.....	1,386,468,556	1862.....	5,064,564
1860.....	1,767,686,338	1863.....	3,180,111
Total.....	4,272,778,906	Total.....	315,760,774
Decrease			3,957,018,132

The value of the total supply, the past three years, from the East Indies, Brazil, and Egypt is as follows :

	E. Indies.	Brazil.	Egypt.	Other countries.	Total.	Price.
1861..	£9,459,556	£690,100	£1,546,897	£386,445	£12,082,998	8c.
1862..	22,042,437	1,676,741	3,723,440	2,429,150	29,871,768	33c.
1863..	27,180,111	1,911,005	7,601,211	8,510,121	45,202,448	41c.

The amount of money sent to new places has been, in three years, $435,000,000, and the price of cotton is now five times as much as before. The exports of specie from Great Britain and France have been as follows:

	Great Britain.	France.
1861	£20,811,648	£450,557,940
1862	29,326,191	392,551,040
1863	25,256,727	553,084,555

With these rising values and prices the drain of specie has been continuous, and is not likely to cease; on the other hand, it seems likely to increase, because the supply of cotton from those sources swells in magnitude, demanding monthly remittances, and it has, as seen in the rates of discount, already reached a serious extent, even in a year of good harvests; should the harvests of the present year turn out poorly, a drain for food would be superadded. The only check to the movement must come from a restoration of the cotton trade to its normal state, a thing not likely to happen at present.

These European financial difficulties have now far less interest to the United States than would have been the case under ordinary circumstances, since we now owe those nations nothing. If they want gold to buy cotton, they must buy the gold first. It cannot be obtained here by calling in outstanding credits, because those credits have nearly ceased to exist. A higher price for gold will undoubtedly cause it to be more freely exported, because more goods must be given for it; but gold is an article that we have to sell. The Government has thought fit to dispense with its use as a currency, and there remains only to get the most for it. Its departure would not cause the Government paper to depreciate if the quantity of paper did not exceed the wants of business.

The following comparative table of the Bank of England returns will be found of interest, affording, as it does, a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with returns of February 3d, 1864:

At corresponding dates with the week ending February 3, 1864.	1862.	1863.	1864.
Circulation, including bank post bills	£21,427,554	£20,709,154	£21,162,626
Public deposits	5,788,441	5,351,617	6,748,867
Other deposits	14,179,917	13,352,278	13,372,981
Government securities	11,301,802	10,602,879	11,124,584
Other securities	17,435,550	19,297,354	20,214,750
Reserve of notes and coin	9,872,248	8,271,591	7,397,593
Coin and bullion	15,956,903	13,692,136	13,308,243
Bank rate of discount	2½ p. c.	5 p. c.	8 p. c.
Average price of wheat	60s 2d	47s 11d	40s 8d

We subjoin our usual table, with the returns brought down to Feb. 3, 1864:

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 2,...	21,685,732	7,284,894	12,924,545	31,980,889	13,048,475	8 per ct.
" 9,...	20,801,207	8,629,856	12,981,276	32,622,659	13,008,617	8 "
" 16,...	20,382,764	9,103,738	13,265,068	32,303,049	13,675,474	7 "
" 23,...	20,273,799	10,266,546	12,711,637	32,270,286	14,217,067	7 "
" 30,...	20,686,588	10,841,991	13,021,212	33,488,154	14,862,605	7 "
Jan. 6, '64	21,322,804	10,001,982	13,052,604	33,486,952	14,196,754	7 "
" 13,...	21,396,420	5,264,097	15,411,794	31,726,575	11,708,597	7 "
" 20,...	21,445,793	5,689,074	13,879,877	31,445,860	12,974,109	8 "
" 27,...	20,875,825	6,337,246	13,406,627	31,017,449	13,022,220	8 "
Feb. 3,...	21,162,626	6,748,867	13,372,981	31,436,334	13,303,243	8 "

STATISTICS OF TRADE AND COMMERCE.

STATISTICS OF THE WHALE FISHERY FOR 1863.

The *Whalemen's Shipping List*, of New Bedford, gives us an interesting review of the whale fishery for 1863.

It will be seen that the past year, like its several predecessors, has witnessed a large decrease in the number of vessels engaged in the business, and the fleet is now reduced to a number which, although taking into consideration the high price of everything needed in fitting ships—if present prices of the staple continue can be made a profitable business.

The success of the Artic fleet the last season was very good. The number of American ships in the Arctic in 1863, was twenty-six, of which twenty-one arrived at the Sandwich Islands, and five at San Francisco,* with an aggregate catch of 28,700 barrels of whale oil, and 432,000 pounds of bone—an average of 1,104 barrels of oil, and 16,616 pounds bone to each ship. The favorable news had the effect of infusing new life into our ship owners, and was the immediate cause of the fitting of eighteen ships which sailed from this port in the months of November and December last, which otherwise would have remained at our wharves idle all the winter.

The Ochotsk fleet, which includes seventeen American vessels, have done poorly. Fourteen have arrived at the Sandwich Islands, and two at San Francisco, with an aggregate of 7,310 barrels of whale oil, and 89,500 pounds bone —an average catch of 457 barrels of whale oil, and 5,593 pounds bone. The slim catch in the Ochotsk may be accounted for in the following which we copy from the Honolulu *Commercial Advertiser:*

"We learn that whales have been abundant as usual on the ground, but the weather has been rough and foggy. In addition to this, it is reported that extensive fires have been raging all the summer on the shores of the Ochotsk, which have created dense banks of smoke over the land and sea. Some of the forests that line the shores and cover the Islands, have been entirely swept away. Whether these fires have been set purposely by the Russians or not, is not known. But the effect has been to put a check to whaling in the bays and near the shores, which are the favorite haunts of the whales."

The total catch of the two Northern fleets of American vessels gives an average season's catch of 857 barrels of whale oil, and 12,416 pounds bone each.

The new field for Arctic whaling—Hudson's Bay—promises well. There arrived at this port from that Bay last fall, the Black Eagle, Antelope and Ansel Gibbs; and at New London, the Monticello and Pioneer, each having been absent two seasons (spending one winter there,) bringing an aggregate of 5,878 barrels of Polar oil, and 98,550 pounds of whalebone—an average of 1,175 barrels of

* One, the Jireh Perry, of New Bedford, not heard from.

oil, and 19,710 pounds of bone to each vessel, by actual turn out. The William Thompson also arrived at this port, from Hudson's Bay, but as she sailed last year, and encountered so much ice in getting through the Straits, there was no time left for whaling. She did not winter, but put away in a very short time for home, to avoid being frozen in. She took 93 barrels of oil, and 1,200 pounds bone.

Ships must go prepared to winter, in order to have the whole of the following season. There were two arrivals from Cumberland Inlet, the Orray Taft, at this port, with 663 barrels of whale oil, and 10,150 pounds bone, and the Georgiana, at New London, with 319 barrels of oil, and 4,700 pounds bone. There were two losses in Hudson's Bay in 1863—the Pavillion, of Fairhaven, and the George Henry, of New London—both by being jammed in the ice. The following vessels are to be fitted from this port, for Hudson's Bay, the coming spring, viz.: Antelope, Ansel Gibbs, Black Eagle, Milwood, Morning Star, and Orray Taft; and probably several from New London.

The prospect now is that many of the ships in port, and of those to arrive, will be fitted in the course of the year for the various sperm and right whaling localities.

The sperm whale fishery, which in former years was prosecuted with success on the Pacific coast, seems to have been exhausted of late on those grounds; and ships, with few exceptions, have done little or nothing within the past few years. Short voyages in the Atlantic have been more successful of late, and we doubt if a ship fitted for three years could do better than to cruise in this ocean, visiting the different grounds, according to the seasons.

Whatever may be the fate of whaleships in 1864, owners have been agreeably dissappointed in the extent of depredations committed by the rebel pirates on their vessels in 1863. It was greatly feared by many, in the earlier part of the year, that these pests of the ocean would be in a position to capture and destroy all, or nearly all of the homeward bound whalers coming around Cape Horn. But not a single instance of the capture of a homeward bound whaler occurred during the year.

The imports of sperm oil in 1863, exceeds that of 1862, 9,414 barrels, while that of whale falls short 37,504 barrels, and of whalebone, 274,750 pounds.

The exports of 1863 fall short of 1862, in sperm oil, 9,610 barrels; whale oil, 57,286 barrels; whalebone, 725,587 pounds.

The whole number of vessels employed in the business on the 1st of January, 1864, is 304, and of tonnage 88,785, showing a decrease of 49 vessels and 14,361 tons since January 1, 1863.

The average price of sperm oil for 1862, is 161 cents per gallon; whale oil, 95½ cents per gallon; whalebone—Northern, 172 cents, and Southern 144½ cents per pound, against 141½ cents for sperm, 59½ cents for whale oil, 88 cents for Northern, and 76 cents for Southern bone, in 1862.

The stock of sperm oil on hand January 1, 1864, exceeds that of 1863, 15,162 barrels; while that of whale is less by 13,675 barrels. Whalebone is in excess over 1863, of 57,480 pounds.

We now refer our readers to the following table of statistics, which has been prepared with great care, and will be found correct.

IMPORTS FROM 1855 TO 1864.

Imports of 1863	65,055	62,974	488,750
" of 1862	55,641	100,478	763,500
" of 1861	68,932	133,717	1,038,450
" of 1860	73,708	140,005	1,337,550
" of 1859	91,408	190,411	1,923,850
" of 1858	81,941	182,222	1,540,500
" of 1857	78,440	230,941	2,058,900
" of 1856	80,941	197,890	3,592,700
" of 1855	72,649	184,015	2,707,500

EXPORTS

Of sperm oil, whale oil and whalebone from the United States :

1863	18,366	11,297	279,394
1862	27,976	68,583	1,004,981
1861	37,547	49,969	1,145,013
1860	32,792	13,007	911,226
1859	52,207	8,179	1,707,929

IMPORTATIONS

Of Sperm Oil, Whale Oil, and Whalebone into the United States in 1863.

	Sperm, bbls.	Whale, bbls.	Bone, lbs.
New Bedford	42,498	43,191	307,950
Fairhaven	3,356	1,137	7,800
Westport	3,874	195	....
Mattapoisett	1,573	7	....
Sippican	308	26	....
District of New Bedford	51,569	44,556	315,750
New London	23	2,148	35,550
Nantucket	3,823	557	4,950
Edgartown	1,170	100	900
Provincetown	1,390	1,730	....
Boston	4,916	5,637	88,900
Beverly	210	....	....
Salem	200	40	....
Sag Harbor	885	885	5,100
New York	969	7,351	37,600
Total	65,055	62,974	488,750

IMPORTS FOR 1863.

	Sperm, bbls.	Whale, bbls.	Bone, lbs.
Total	65,055	62,974	488,750

STATEMENT

Stock of Oils and Whalebone in the United States, January 1st, 1864.

	Sperm, bbls.	Whale, bbls.	Bone, lbs.
New Bedford	24,880	8,314	26,200
Fairhaven	1,800	....	....
Westport	2,700	....	....
Edgartown	500	....	....
Nantucket	760	....	....
Boston	315	410	....
Salem	220	....	....
New London	26	15	....
New York	....	605	122,780
Total	31,200	9,344	148,980

Stock of oil and bone on hand on the first of January, in the last seven years:

	Sperm, bbls.	Whale, bbls.	Bone, lbs.
1864	31,200	9,344	149,980
1863	16,038	23,019	91,500
1862	16,182	58,378	295,600
1861	15,838	80,469	418,700
1860	13,429	96,480	380,600
1859	17,176	82,376	400,000
1858	39,307	91,193	235,500

AVERAGE PRICES OF OIL AND BONE.

	Sperm.	Whale.	Bone.
Average for 1863	$1 61	95½	$1 53
" " 1862	1 42½	59½	82
" " 1861	1 81½	44½	66
" " 1860	1 41½	49½	80½
" " 1859	1 36½	48½	....
" " 1858	1 21	54	92½
" " 1857	1 28½	73½	96½
" " 1856	1 62	79½	58
" " 1855	1 77½	71½	450

NORTH PACIFIC FISHERY.

Table showing the number of ships engaged in the North Pacific Fishery, for the last five years, and the average quantity of oil taken:

1859	176 ships averaged 535 barrels	—94,160 barrels.
1860	121 ships averaged 518 barrels	—63,678 barrels.
1861	76 ships averaged 724 barrels	—55,024 barrels.
1862	32 ships averaged 610 barrels	—19,525 barrels.
1863	42 ships averaged 857 barrels	—38,010 barrels.

RECAPITULATIVE TABLE.

VESSELS EMPLOYED IN THE WHALE FISHERY, JANUARY 1, 1864.

	Ships & Barks.	Brigs.	Schs.	Tonnage.
New Bedford	195	1	1	64,815
Fairhaven	7	..	2	2,389
Westport	11	..	..	2,715
Dartmouth	4	..	..	1,141
Mattapoisett	3	..	..	638
Sippican	..	..	3	301
District of New Bedford	220	1	6	71,999
Falmouth	1	..	..	357
Homes Hole	1	..	..	255
Edgartown	6	..	1	2,383
Nantucket	9	..	1	3,173
Provincetown	2	..	23	2,969
Boston	1	..	2	535
Beverly	..	1	1	238
Salem	..	1	..	159
Warren	2	..	..	613
New London	10	2	7	4,571
Sag Harbor	6	..	..	1,523
Total January 1, 1864	258	5	41	88,785

Showing diminution of 43 ships and barks, 5 brigs, and 1 schooner, and of tonnage 14,361.

COAL TRADE FOR 1863.

The *Miners' Journal* gives the annual returns of the coal trade. They are all official except from one point, and show an increase in the production for the year unexampled in the history of the trade.

After separating the coal which passed over the different railroads, we find that the whole production of coal was as follows:

Years.	Anthracite.	Semi and Bitu.	Total.
In 1863	9,420,135	1,166,985	11,587,120
1862	7,640,905	1,359,716	9,000,621
Increase	1,779,230	807,269	2,586,499

At the commencement of the business for the year no one anticipated such an increase, particularly when prices ruled so high, but it is only another evidence of the extent to which the manufacturing industry of the country is pushed to supply the wants of the Government and the people.

The following table exhibits the progress of the trade from the commencement in 1820 to 1864, a period of forty-four years:

From	Anthracite.	Semi-Anth & Bit.
1820 to 1830	359,190	273,568
1830 to 1840	5,261,197	954,166
1840 to 1850	119,373,249	1,744,460
1850 to 1860	57,190,990	9,467,568
1860 to 1864	32,604,729	6,371,510
Total	114,789,535	18,811,172

The following table exhibits the aggregate and annual increase of Anthracite Coal sent to market from the different regions in Pennsylvania from the commencement of the trade in 1820 to 1863, inclusive:

	Aggregate.	Annual Increase.
1820	365	...
1821	1,073	708
1822	3,720	2,647
1823	8,951	8,231
1824	11,108	4,157
1825	34,893	23,785
1826	48,047	13,154
1827	63,434	15,387
1828	77,516	14,082
1829	112,083	34,567
	359,190	.....
1830	174,734	62,651
1831	176,820	2,086
1832	363,871	187,051
1833	487,748	123,877
1834	376,686	111,112
1835	560,758	184,122
1836	684,117	123,359
1837	879,444	195,327
1838	738,697	140,747
1839	818,402	79,805
	5,261,197	
1840	864	45,982
1841	959,973	95,589
1842	1,10[illegible]418	148,445
1843	1,263,598	155,180
1844	1,660,850	397,252
1845	2,013,010	352,163
1846	2,344,005	330,995
1847	2,882,309	538,304
1848	3,089,238	206,929
1849	3,217,651	128,403
	19,373,429	
1850	3,321,186	103,495
1851	4,329,580	1,008,394
1852	4,899,975	570,445
1853	5,097,144	197,169
1854	5,831,934	734,790
1855	6,486,097	654,263
1856	6,751,541	256,445
1857	6,431,378	320,164
1858	6,524,838	93,460
1859	7,517,516	1,091,678
	57,190,990	
1860	8,059,017	511,501
1861	7,484,672	574,345
1862	7,640,905	158,233
1863	9,420,135	1,779,230
	114,789,535	

As regards the future state of the trade, we have only room to remark that there will be abundant colliery capacity to supply all the coal the market will require, even if the increase should run up to a million of tons the present year; but we doubt whether there will be facilities to transport such an increase to market. The price this year will depend upon the ability of the miners, &c., to maintain the present rates of wages, and the charge adopted by the different carrying companies. So far there has been no reduction in wages in the coal regions, and the future rates will depend altogether on the supply and demand when the spring trade opens.

COMMERCE OF THE LAKES.

The following is a statement of the arrivals and clearance of American and foreign vessels to and from Canadian ports; also the arrivals and clearances of American vessels to and from American ports, the tonnage of the same, and number of men composing the crews arriving and departing:

SUMMARY FOR THE YEAR 1863.

	No.	Tonnage.	Crew.
American vessels entered	1,584	1,881,096	14,954
Foreign vessels entered	696	63,243	3,616
Coasting vessels entered	5,370	1,928,747	60,188
Total entered for the year	7,647	3,378,086	78,758
	No.	Tonnage.	Crew.
American vessels cleared	1,680	1,858,751	14,887
Foreign vessels cleared	690	67,988	3,647
Coasting vessels cleared	5,409	1,958,183	60,123
Total cleared for the year	7,729	3,879,817	78,657
Grand Total for 1863	15,376	6,757,903	157,415
" " 1862	16,890	6,689,191	166,133
" " 1861	18,866	5,963,896	144,173
" " 1860	11,527	4,710,175	120,497
" " 1859	10,521	5,592,626	118,109
" " 1858	8,218	3,320,246	86,887
" " 1857	7,581	3,226,807	132,183
" " 1856	8,128	3,018,589	112,054
" " 1855	9,211	3,360,281	111,575
" " 1854	8,911	3,990,284	120,333
" " 1853	8,298	3,252,978	128,112
" " 1852	9,441	3,092,247	127,491

COMMERCE OF THE UNITED STATES.

The following figures (furnished through the courtesy of the Treasury Department.) give the official statement of the commerce of the United States for the last fiscal year:

IMPORTS AT THE PORTS OF THE UNITED STATES FOR THE YEAR ENDING JUNE 30, 1863.

Dutiable merchandise	$208,093,944
Free merchandise	35,166,359
Specie and bullion	9,675,569
Total imports for the year	$252,935,872

EXPORTS FROM THE UNITED STATES TO FOREIGN PORTS FOR THE YEAR ENDING JUNE 30, '63.

Domestic produce other than specie		$249,891,486
Foreign dutiable merchandise	$12,581,031	
Foreign free merchandise	5,215,169	
		$17,796,200
Domestic specie and bullion	$55,993,562	
Foreign specie and bullion	8,193,049	
		$64,156,611
Total exports for the year		$331,844,247

IMPORTS INTO THE UNITED STATES FROM FOREIGN PORTS FOR THE YEAR ENDING JUNE 30.

	Dutiable.	Free goods.	Specie and bullion.	Total imports.
1845	$96,106,724	$18,077,598	$4,070,243	$117,254,564
1846	95,924,058	20,990,007	3,777,732	121,691,797
1847	104,773,002	17,651,847	24,121,289	146,545,638
1848	132,282,325	16,356,379	6,360,224	154,998,928
1849	125,479,774	15,726,425	6,651,240	147,857,439
1850	155,427,936	18,081,590	4,628,792	178,138,318
1851	191,118,345	19,652,995	5,453,592	216,224,932
1852	183,252,508	24,187,890	5,505,044	212,945,442
1853	236,595,113	27,182,152	4,201,382	267,978,647
1854	271,276,560	26,327,637	6,958,184	304,562,381
1855	221,378,184	36,430,524	3,659,812	261,468,520
1856	257,684,236	52,748,074	4,207,632	314,639,942
1857	294,160,835	54,267,507	12,461,799	360,890,141
1858	202,293,875	61,044,779	19,274,496	282,613,150
1859	259,047,014	72,286,827	7,434,789	338,768,130
1860	279,874,640	73,741,479	8,550,135	362,166,254
1861	234,605,573	75,204,969	46,339,611	356,150,153
1862	136,683,128	52,721,648	16,415,052	205,819,828
1863	208,093,944	35,166,359	9,675,569	252,935,872

EXPORTS FROM THE UNITED STATES TO FOREIGN PORTS FOR THE YEAR ENDING JUNE 30.

	Domestic produce.	Foreign produce.	Specie and bullion.	Total exports.
1845	$98,455,330	$7,584,781	$8,606,495	$114,646,606
1846	101,718,042	7,865,206	8,905,268	118,488,516
1847	150,594,844	6,166,754	1,907,024	158,648,622
1848	130,203,709	7,986,806	15,841,616	154,032,131
1849	131,710,181	8,641,091	5,404,648	145,755,820
1850	134,900,233	9,475,493	7,522,994	151,898,720
1851	178,620,138	16,195,121	29,472,752	218,388,011
1852	154,931,147	12,087,043	42,674,135	209,642,324
1853	189,869,162	12,096,213	29,486,865	230,452,250
1854	205,159,504	21.661,137	41,422,423	278,241,064
1855	192,751,135	26,158,368	56,247,343	275,156,846
1856	266,438,051	14,781,372	45,745,485	326,960,900
1857	278,906,713	14,917,047	69,136,902	362,960,682
1858	251,351,038	20,660,241	52,633,147	324,644,421
1859	278,392,080	14,509,971	63,887,411	356,789,462
1860	317,242,423	17,333,684	66,546,289	400,122,296
1861	359,920,311	15,054,217	29,791,080	404,765,608
1862	181,875,988	11,097,336	36,886,956	222,790,280
1863	249,891,486	17,796,200	64,156,611	331,844,247

The imports are valued at their foreign cost in specie; the exports (specie excepted) at their value here in the paper currency.

THE CLOTHING TRADE.

We see in *Harpers' Weekly*, for February 27th, a plate furnished by Messrs. KIRTLAND, BRONSON & Co., manufacturers and jobbers of clothing, Nos. 45 and 47 Chambers street, New York. Following the plate is an article on the wholesale clothing trade, which we give, as it shows the extent to which this branch of business has been carried.

"The wholesale clothing trade in this country has become of such vast importance, as well in its magnitude as in the reduction of prices which it has occasioned in what may be justly regarded as one of the first necessities of man, that it deserves a place in our columns, and our patrons will doubtless be pleased to see other representations from the great warehouse of Messrs. KIRTLAND, BRONSON & Co.

"This branch of industry is of domestic origin, and was almost unknown forty years ago; the nearest approach to it in that day being the manufacture of clothing by a few individuals in this city who had branches for the sale of their goods at retail in some of the Southern cities. The demand from Southern merchants, however, which arose for clothing ready made soon developed the wholesale clothing business, and prior to 1837 there were half a dozen or more houses in this city engaged exclusively in the trade, and some of them very largely. The business was almost wholly confined to the South, and the class of goods made up at that period mainly of the lower and inferior grades. The revulsion of 1837 prostrated this as well as other branches of business, and extinguished the firms then engaged in it. With the subsequent revival of trade new houses entered into the business, other cities became identified with it, the western country opened up new markets for its sale, and the business rapidly increased, until, in 1860, it had attained its zenith. Then came the war, and with it the loss of the Southern indebtedness, in consequence of which it again suffered a temporary reverse. But clothing is an indispensable commodity, and hence we find the business quickly revived under the management of larger, wealthier, and more experienced firms.

"New York has always been the chief depot of supply, and will always control the largest share of the business. New York clothing is famed far and wide for its excellence—the characteristics which distinguish it above the make of other cities being novelty in the designs, durability and taste in the material and trimmings, and superiority in the workmanship. In former times, manufacturers hesitated at making up anything above the medium grade of goods. But now, in addition to manufacturing heavy lines of the medium and lower grades, a first-class house like the one above-named is obliged to keep a full assortment of fine goods, equal in every respect to the very best custom-made work.

"There are now engaged in the wholesale trade, in this city alone, over one hundred firms, with a capital invested of at least ten millions of dollars. The number of operatives in New York and vicinity who gain their living from the clothing trade is about 90,000, one half of whom may be employed on Government work and in the retail trade, and the other half by the wholesale trade, which contributes toward their support not far from ten millions of dollars a year wages. The amount of internal revenue which the Government derives from it is probably more than a million of dollars a year."

RESTRICTIONS ON COMMERCE IN THE CONFEDERATE STATES.

THE *Richmond Enquirer* of February 9th, says that JEFFERSON DAVIS has approved the following bills of the Rebel Congress, passed in secret session:

A Bill to Impose Restrictions upon Foreign Commerce.—This bill prohibits the exportation of cotton, tobacco, naval and military stores, molasses, sugar or rice, under the penalty of forfeiture of any vessel or vehicle or any slaves or

animals engaged in the transportation thereof. Permits to export may be granted under rules which may be prescribed by the President.

The bill also prohibits the sending of any of the above named articles to any point in the confederacy in possession of the enemy.

A violation of this law comes within the category of high misdemeanor, and is punishable by fine and imprisonment, at the discretion of the Confederate States courts.

A Bill to Prohibit the Importation of Luxuries into the Confederate States. —This bill prohibits the importation of luxuries, of which a long list is enumerated, after the first day of March next. A provision in the bill empowers the Secretary of the Treasury to fix the maximum of foreign prices at which or within which all goods made wholly or partly of cotton, flax, wool or silk may be imported. This is designed to insure the importation of articles of prime necessity and common use.

We mention in this connection that the Senate has passed a bill to establish a bureau of foreign supplies. The injunction of secresy has been removed from the bill so far as the Senate is concerned; but it is being considered in secret session by the House of Representatives.

STATISTICS OF POPULATION.

FACTS FROM THE CENSUS OF 1860.

The *Journal of Commerce* furnishes some valuable facts from the forthcoming volume of the Census Report. The introduction to the volume contains the summing up of statistical results, for which the country is indebted to the steadfast labors of Mr. KENNEDY, the Superintendent of the Census Bureau. These results bring before the people of the country a great many remarkable facts, some of which we notice.

The proportion of the numbers of the two sexes is different in this country from Europe. In Great Britain and Ireland there are 877,000 more females than males, in a population of 29,000,000, while in the United States, in a population of 31,000,000, there is an excess of 730,000 males over females. But this excess is not uniform in all parts of the country. Thus Massachusetts has 37,600 more females than males, while Illinois has 92,000 more males than females. California has 67,000 more males than females; Michigan has 40,000, Texas 36,000, Wisconsin 43,000; while in Colorado the proportion of men to women is twenty to one, This is, doubtless, the result of emigration. In Utah, notwithstanding polygamy, the numbers are about equal; in New York the females are a little more numerous; in Pennsylvania the males are a few more than the females.

On the subject of immigration the statistics are valuable and suggestive. The following is nearly the exact immigration for the three census periods:

In the ten years previous to June 1,			1840.....	552,000
"	"	"	1850	1,558,800
"	"	"	1860.....	2,707,624

The largest number of emigrants arriving are between twenty and twenty-five years of age. Over twenty per cent of the whole immigration is of persons of

this age. Fourteen per cent are between fifteen and twenty, sixteen per cent between twenty-five and thirty; seven per cent. are children under five. A most interesting table has been compiled by Mr. KENNEDY, showing the occupation of the immigrants for each ten years from 1820 to 1860. We take the total, covering the whole period:

OCCUPATION OF PASSENGERS ARRIVING IN THE UNITED STATES FROM FOREIGN COUNTRIES DURING THE FORTY-ONE YEARS ENDING WITH 1860.

Occupation.	1820 to 1860.	Occupation.	1820 to 1860.
Merchants	231,852	Artists	2,490
Farmers	764,887	Teachers	1,528
Mechanics	407,524	Musicians	729
Mariners	29,484	Printers	705
Miners	39,967	Painters	647
Laborers	872,317	Masons	2,810
Shoemakers	3,474	Hatters	256
Tailors	3,634	Manufacturers	3,120
Seamstresses and milliners	5,246	Millers	631
Actors	588	Butchers	945
Weavers and spinners	11,557	Bakers	1,272
Clergymen	4,326	Servants	49,494
Clerks	3,882	Other occupations	26,206
Lawyers	2,676	Not stated	2,978,599
Physicians	7,109		
Engineers	2,016	Total	5,459,421

The preponderance of "laborers" is very great. Farmers are next in number; then mechanics, merchants, &c. The table of nativity of population presents a subje ct of peculiar interest. Here is the grand total:

	Census of 1860.	Census of 1850.
Born in the United States	23,301,403	17,737,568
Born in foreign countries	4,136,175	2,210,839
Birth place not stated	51,883	39,154
Total free population	27,489,461	19,987,571

The different races and nations in the United States are represented as follows:

	Census of 1860.	Census of 1850.	Proportions in 1860
Ireland	1,611,304	961,719	38.94
Germany	1,301,136	573,225	31.45
England	431,692	278,675	10.44
British America	249,970	147,700	6.05
France	109,870	54,069	2.66
Scotland	108,518	70,550	2.63
Switzerland	53,827	13,358	1.29
Wales	45,763	29,868	1.11
Norway	43,995	12,678	1.07
China	35,565	758	0.86
Holland	28,281	9,848	0.68
Mexico	27,466	13,317	0.66
Sweden	18,625	3,559	0.45
Italy	10,518	3,645	0.26
Other countries	60,145	37,870	1.45
Total foreign born	4,136,175	2,210,839	100,00

Many readers will be surprised at the closeness with which the German numbers rival the Irish. The distribution of the foreign element is worthy of careful notice. By the following table it seems that North Carolina exceeds all

other States as a native-born American population. Arkansas is next. California has the largest proportion of foreign-born population, owing, doubtless, to the fact of its late acquisition, with a large Mexican population then in it. Wisconsin is next in order. Minnesota next.

PERCENTAGES OF THE NATIVE AND FOREIGN POPULATION IN 1860.

States and Territories.	Total natives.	Total f'n.	English.	Irish.	German.
Alabama	98,72	1,28	0,12	0,59	0,27
Arkansas	99,14	0,86	0,09	0,30	0,26
California	52,02	47,98	4,00	10,85	7,10
Connecticut	82,46	17,54	1,93	12,05	1,85
Delaware	91,82	8,18	1,41	5,41	1,13
Florida	97,64	2,36	0,23	0,60	0,34
Georgia	98,90	1,10	0,11	0,62	0,23
Illinois	81,03	18,97	2,44	5,12	7,65
Indiana	91,25	8,75	0,69	1,81	14,94
Iowa	84,29	15,71	1,71	4,16	5,71
Kansas	88,16	11,84	1,31	3,63	4,03
Kentucky	94,83	5,17	0,39	1,93	2,36
Louisiana	88,56	11,44	0,56	3,98	3,48
Maine	94,04	5,96	0,43	2,44	0,06
Maryland	88,72	11,28	0,62	3,62	6,89
Massachusetts	78,87	21,13	1,94	15,07	0,81
Michigan	80,09	19,91	3,44	4,01	5,18
Minnesota	66,22	33,78	1,99	7,37	10,59
Mississippi	98,92	1,08	0,11	0,49	0,25
Missouri	86,41	13,59	0,85	3,68	7,50
New Hampshire	93,58	6,42	0,70	3,91	0,13
New Jersey	81,73	18,27	2,36	9,23	5,03
New York	74,27	25,73	2,73	12,84	6,61
North Carolina	99,67	0,33	0,07	0,09	0,08
Ohio	85,97	14,03	1,40	3,23	7,19
Oregon	90,24	9,76	1,32	2,41	2,06
Pennsylvania	85,19	14,81	1,60	6,95	4,74
Rhode Island	78,58	21,42	3,64	14,48	0,47
South Carolina	98,58	1,42	0,11	0,70	0,38
Tennessee	98,09	1,91	0,18	1,12	0,35
Texas	92,81	7,19	0,28	0,58	3,40
Vermont	89,61	10,39	0,52	4,28	0,07
Virginia	97,81	2,19	0,26	1,03	0,66
Wisconsin	64,31	35,69	3,94	6,44	15,97
District Columbia	83,37	16,63	1,37	9,66	4,33
Territories	83,89	16,11	4,45	2,31	1,86
Total in the United States	86,85	13,15	1,37	5,12	4,14

The following is Mr. KENNEDY'S condensation of certain facts derived from the census table:

I. The largest number of foreigners reside in the following States in their order, to wit: New York, Pennsylvania, Ohio, Illinois, Wisconsin, Massachusetts. It will be observed that the total population also follows the same order, as regards the first four States, indicating a similarity of composition of native and foreign.

II. Foreigners reside in the least numbers in North Carolina, Florida, Arkansas, Oregon, Mississippi, Delaware.

III. *The greatest foreign increase*, from 1850 to 1860, has been in New York, Illinois, Wisconsin, Pennsylvania, California, Ohio.

IV. *The least foreign increase*, from 1850 to 1860, has been in Vermont, Florida, North Carolina, South Carolina, Arkansas.

V. The greatest number of English reside in the States of New York, Pennsylvania, Illinois, Ohio, Wisconsin, Michigan.

VI. The least number of English reside in Florida, Arkansas, Oregon, North Carolina, South Carolina, Mississippi.

VII. The greatest number of Irish reside in New York, Pennsylvania, Massachusetts, Illinois, Ohio, New Jersey.

VIII. The smallest number of Irish reside in Florida, North Carolina, Oregon, Arkansas, Texas, Kansas.

IX. The greatest number of Germans reside in New York, Ohio, Pennsylvania, Illinois, Wisconsin, Missouri.

X. The least number of Germans reside in Vermont, Maine, New Hampshire, Florida, North Carolina, Rhode Island.

XI. It will further be found that 3,582,999—that is, 86.60 per cent of the whole number of foreign-born—were inhabitants of the free States, and 553,176, or only 13.40 per cent, of the slaveholding States. In 1850 the corresponding percentages were 88.94 and 11.06, respectively, or as 8 to 1. In other words, for each white immigrant located in the slaveholding States, eight have settled in the free States.

XII. The decennial increase of the foreign population from 1850 to 1860 has been 87.1 per cent, being nearly a doubling of numbers; in some States more, and in others less. In round numbers, the State of New York has a million of foreign residents, which is a fourth part of all in the United States, and also a fourth of the total population of the State; but, on an average of all the States, the number of foreigners is about one eighth part of the whole population.

COMMERCIAL REGULATIONS.

DECISIONS OF TREASURY DEPARTMENT.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production entered at the port of New York, &c.:

EMPTY GRAIN BAGS.

Treasury Department, November 28, 1863.

SIR: Messrs. KNOX & Co. have appealed from your decision assessing duty at the rate of 35 per cent ad valorem on certain "Empty Grain Bags," and claim "that bags exported from, and being the manufacture of this country, filled with grain, and brought back here again empty, properly certified to by the American Consul's certificate, and consignee's oath, are entitled to free entry."

This Department, under date of December 11, 1858, affirmed the decision of October 21st preceding, viz.:

"Bags of American manufacture exported from the United States filled with grain, and afterwards imported empty, or exported empty and after-

wards imported full of grain, will, as heretofore, be admitted to entry free of duty, upon the production of the proof of such origin required by the law and the 'Regulations of the Department.'"

This decision still remains in force. The decision of September 16th, 1863, in relation to empty carboys, does not impair it.

Your decision is hereby overruled.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To HENRY W. HOFFMAN, *Collector, Baltimore, Md.*

REGULUS OF COPPER.

Treasury Department, November 28, 1863.

SIR: WM. A. CROCKER, Esq, has appealed from your decision assessing duty as "Pig Copper," at the rate of two cents per pound, on certain "Regulus of Copper" imported by him from Canada, and claims that, under the Reciprocity Treaty, said article is entitled to entry free of duty, as Copper Ore.

"Regulus of Copper" has heretofore been classified and returned by the Collectors of New York and Boston as "Copper Ore." It is the purer and finer portion of metallic ores (whence its name), and brought to the last stage for reduction to the metallic state.

"Copper Ore" is provided for under the *general term*, and, as all manufactures of or conditions of copper are otherwise provided for only in the *metallic state*, it would be unwise to classify "Regulus of Copper" other than as "Copper Ore;" besides, it may be added that "Regulus of Copper" is not malleable.

Under the Reciprocity Treaty, ores of metals of all kinds are entitled to free entry, and consequently the imposition of duty by you on the article in question was erroneous, and your decision is hereby overruled.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To WM. CLAPP, *Collector, Burlington, Vt.*

JUTE TWINE.

Treasury Department, November 28, 1863.

SIR: Messrs. SHAW & COFFIN have appealed from your decision assessing duty at the rate of 35 per cent ad valorem on certain merchandise imported by them, per "Kangaroo," as "Jute Twine," and claim that the article in question is liable to only 20 per cent ad valorem as "Jute Yarn."

The question here presented is simply of fact, viz.: Is the article "Jute Twine" or "Jute Yarn?"

The experts of the customs declare it to be the former, and say further: *Yarn* is a single thread, more or less twisted, and used for warp or weft in manufacture, when, by the packing of the loom, it is held together without much twisting, and answers, too, a better purpose than twine.

Twine is a double and retwisted thread. Sometimes the manufacturer will designate a poor and slightly twisted twine as yarn, because not fit for the purposes for which twine is used, and only fit for the purposes for which yarn is used; this, however, does not make it "Yarn."

In the case before us, the article has all the characteristics of twine, and is not intended for the ordinary uses of yarn.

In these views of the appraisers I concur, and hereby affirm your decision assessing duty at the rate of 35 per cent ad valorem upon the article in question as "Jute Twine."

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

MANUFACTURES OF JET.

Treasury Department, December 3, 1863.

SIR: Messrs. FREEMAN & RYER have appealed from your decision assessing duty at the rate of 35 per cent, as "Manufactures of Jet," on certain Bracelets of Jet, gold mounted, imported by them per "City of Washington," and claim to enter them at 25 per cent as "Jewelry."

Section 22 of the Act of March 2, 1861, imposes a duty of 30 per cent, to which is added, by section 13 of the Act of July 14, 1862, 5 per cent, making the present rate of duty 35 per cent on "Jet and Manufactures of Jet, and imitations thereof."

It is contended by the appellants that the braeelets in questions are, by reason of their being ornamented with gold, taken out of this classification for "Manufactures of Jet," and should be considered as "Jewelry."

In my opinion, the ornamentation is not sufficiently material to change the character of the article under consideration; it is clearly a "Manufacture of Jet," and is commercially recognized as such. In this opinion the experts of the customs agree.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

SHINGLES—FROM CANADA.

Treasury Department, December 22, 1863.

SIR: R. T. WHITE has appealed from your decision assessing duty at the rate of 35 per cent ad valorem, as a Manufacture of Wood, on certain Shingles imported by him from Canada, and claims that the articles in question "were manufactured entirely with saws, and are therefore not liable to duties under the Reciprocity Treaty."

It appears, by your report, that "the shingles are sawed on the flat sides, and the edges dressed with knives, notched in such manner as to give the shingles somewhat the appearance of having been sawed." It also appears that the appellant admits this fact, but alleges "that nicking the knives or planes makes them the same as a saw."

This department, under date of June 19, 1862, decided that "the Reciprocity Treaty allows free entry of shingles, 'rough-hewn or sawed only.' An inspection of the sample transmitted shows the article in question to be manufactured in part by planing, shaving, or process of manufacture other than rough hewing or sawing, and not embraced in the terms of said treaty, and consequently liable to duty under existing tariffs."

I can perceive no reason for departing from the principle enunciated

in the above decision, and your decision, assessing duty at the rate of 35 per cent ad valorem on the article imported by R. T. WHITE is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To C. METZ, Esq., *Collector, Buffalo, N. Y.*

BLACK HANDLES (MANUFACTURES OF WOOD).

Treasury Department, December 1, 1863.

SIR: Mr. M. L. LEMAN has appealed from your decision assessing duty at the rate of 10 cents per dozen, as "Pen Holders complete," on certain articles styled by him "Black Handles only," and claims to enter them as Manufactures of Wood, and liable only to duty at the rate of 35 per cent ad valorem, because "said sticks only become pen holders *complete* by having metal or other tips attached to them, and that they are used and sold by the trade for manifold letter-writer handles, camel's hair brush handles, gold pen handles, mucilage brush handles, and for other purposes."

It is further alleged by the appellant that the article in question "can in no sense be termed a pen holder; that it will *not* hold a pen—that the term pen holder cannot be justly applied to the stick inserted in a barrel pen, which stick does not hold the pen, but is *held by it.*"

Section 8 of the tariff act of July 14, 1862, imposes a duty of 10 cents per dozen on "Pen Holders *complete.*"

Section 13 of the same act imposes 35 per cent ad valorem duty on "Manufactures of Wood, or of which wood is the chief component part, not otherwise provided for."

I am disposed to interpret the term "Pen Holder *complete*" as meaning something more than a simple stick or handle.

The use of the word "complete" would presuppose that some pen holders were *in*complete, and it is not clear to me that anything could be less *complete* than the article in question, a sample of which is now before me. It can be used in its present condition only for "barrel pens," and, when so used, the property of connection lies *not in the handle*, but in the pen—in fact, it does not hold the pen.

I am of the opinion that any article to be classified as a "*Pen Holder complete*," must possess, *per se*, connecting and retaining properties, and not derive from the pen proper any assistance in maintaining the conjunction.

Under this view of the question, I am of the opinion that the article imported by Mr. M. L. LEMAN should be admitted to entry at the rate of 35 per cent, as a manufacture of wood not otherwise provided for, and you are hereby instructed so to admit it.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

CAST STEEL TIRES.

Treasury Department, December 23, 1863.

SIR: Messrs. PAGE, RICHARDSON & Co. have appealed from your decision assessing duty at the rate of 35 per cent ad valorem on certain

"Patent Cast Steel Tires, in the rolled state," styled by the importers "Cast Steel Locomotive Tires, in the rough," imported in the "Martha" from Liverpool, and claim that they should pay a duty of 25 per cent ad valorem only, as "steel in any form not otherwise provided for."

The article in question having assumed a shape or proportion indicative of its purpose, and from which it would not be practicable, in the ordinary course of manufacture, to divert it, cannot be said to be "steel in any other form" (other than ingots, bars, sheets, or wires), but must be classified as a partial manufacture, and subjected to duty at the rate of 35 per cent ad valorem, under the 7th section of the act of March 2, 1861, and the 3d section of the act of July 14, 1862—the former imposing a duty of 30 per cent, and the latter 5 per cent in addition thereto, on manufactures partially or wholly of steel.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

J. Z. GOODRICH, Esq., *Collector, Boston, Mass.*

ADDITIONAL REGULATIONS CONCERNING COMMERCIAL INTERCOURSE WITH AND IN STATES DECLARED IN INSURRECTION.

EXECUTIVE ORDER.

EXECUTIVE MANSION, WASHINGTON, *January 26th*, 1864.

I, ABRAHAM LINCOLN, President of the United States, having seen and considered the additional regulations of trade prescribed by the Secretary of the Treasury, and numbered LI, LII, LIII, LIV, LV, and LVI, do hereby approve the same; and I further declare and order that all property brought in for sale in good faith, and actually sold in pursuance of said regulations LI, LII, LIII, LIV, LV, and LVI, after the same shall have taken effect and come in force, as provided in regulation LVI, shall be exempt from confiscation or forfeiture to the United States.

ABRAHAM LINCOLN.

ADDITIONAL REGULATIONS OF TRADE.

TREASURY DEPARTMENT, *January* 23, 1864.

LI.—The Commanding General having expressed the opinion, in reply to a letter addressed to him by the Secretary of the Treasury on the sixteenth instant, that restrictions to trade in the States of Missouri and Kentucky may now be safely removed, and the Secretary of War, in his letter of this day, January 23, 1864, having approved that opinion, the Twenty sixth Regulation of Trade established, with other Regulations, on the 11th of September, 1863, is so far modified that all restrictions on trade in the States of Missouri and Kentucky are annulled and abrogated; and all products and goods may be freely taken into and transported within the said States as in time of peace. Provided, however, that no products or goods shall be taken from said States, or either of them, into any State declared to be in insurrection, or to any port in said State heretofore blockaded which has been or may be opened, except in compliance with the regulations of September 11, 1863.

Restrictions upon trade in, to, or from other States, and also upon the trade with States in insurrection and parts of said States, especially on the Mississippi and other navigable rivers, will be removed whenever, in the opinion of the President, such removal shall be found compatible with the military measures necessary for the suppression of the rebellion.

S. P. CHASE, *Secretary of the Treasury.*

ADDITIONAL REGULATIONS OF TRADE.

To take effect when promulgated under authority of the President by Generals commanding departments.

TREASURY DEPARTMENT, *January* 26, 1864.

LII.—All persons being or residing in any of the States declared to be in insurrection, whether within or beyond the lines of national military occupation, may freely bring any goods or products from within the State in which he may reside to any place within such lines where there is a Supervising Special Agent or Assistant Special Agent of the Treasury Department, for sale or other disposition; and so much of any regulation heretofore established as requires the obtaining of any previous authority or permit for bringing goods and products to the place of sale, is hereby rescinded.

LIII.—In all cases where the owner of the goods and products so brought in for sale shall reside within the lines of national military occupation, and shall take the oath prescribed by the proclamation of the President, Dated December 8, 1863, and is not excepted from the amnesty granted by the said proclamation, or proved by affidavits to the satisfaction of the Supervising Special Agent to be disloyal and hostile to the United States, such owner or his agent may receive the price of his goods and products without deduction, except for dues and fees to the Government under the regulations of September 11, 1863, or he may convey such goods and products, having paid said dues and fees, under proper permit, to such other place as he may choose for sale or other disposition; but whenever the owner of said goods and products shall not reside within the lines of national military occupation, such goods and products shall be sold by the Supervising Special Agent or Assistant Special Agent; and all such sales of such goods and products shall take place on Monday of each week, at the place of receipt, and shall include all complete lots on hand at the time of sale. And the Supervising Special Agent or the Assistant Special Agent, as the case may be, shall pay to said owner or his agent, if said owner shall have taken said oath, and is not excepted from said amnesty, nor proved to be disloyal and hostile, twenty-five per cent of the gross proceeds of said sales, and shall pay the remainder of such proceeds, after deducting necessary and proper expenses of sale and one per cent as his additional compensation, into the Treasury of the United States, and shall give to the owner of each lot sold, or his agent, a receipt or certificate describing the property. But the aggregate compensation of no Supervising Special Agent or Assistant Special Agent shall exceed the sum of five thousand dollars per annum, or at that rate for a less period; and each Supervising Special Agent or Assistant Special Agent charged with the receipt and payment of any money, under any regulation of the Treasury Department, shall give bond to the satisfaction of the Secretary of the Treasury in the sum of fifty

thousand dollars for the faithful performance of his duties as such Supervising Special Agent or Assistant Special Agent, and for the punctual payment into the Treasury of the United States, of all sums by him received and required by law or regulations to be so paid.

LIV.—All sales, whether private or public, shall be for notes of the United States or Treasury notes, exclusively, and all proceeds of goods and products paid into the Treasury under the foregoing regulation shall be restored without interest to the owner of the goods and products sold, in case he shall establish, on the return of peace and the full practical restoration of the authority of the Union, his titles to said goods and products, and since the sale thereof he has conducted himself in all respects as a good and loyal citizen of the United States, and has done nothing inconsistent with the terms of the oath prescribed by the President's proclamation of amnesty.

LV.—Nothing in either of the foregoing Additional Regulations shall authorize the conveyance of supplies beyond the lines of national military occupation, or, except under the Regulations of September 11, 1863, within said lines.

LVI.—The foregoing Regulations, numbered LII, LIII, LIV, LV, shall take effect and be in force within the lines of the several military departments in the insurrectionary States, whenever the Generals commanding said departments shall, respectively, under authority from the President, and by proper orders promulgate the same.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

LETTER FROM THE SECRETARY OF THE TREASURY TO A SPECIAL AGENT.

TREASURY DEPARTMENT, *February* 2, 1864.

SIR: All restrictions on trade are in aid of military operations. When the military authorities say they are necessary, it is not for me to question the soundness of their judgment. It is my duty to learn what their judgment is, and to act in accordance with it. The freer the trade, the more agreeable is it to me. Restriction is and always has been a very unpleasant duty. I inclose copies of the new Regulations; you will govern yourself by them.

You will observe that the Regulations in respect to trade with insurrectionary districts yet remain in force, and also the old restrictions as to bringing out the products of the country. The latter will be abolished whenever the commanding Generals shall promulgate the new Regulations.

Very respectfully yours,

S. P. CHASE, *Secretary of the Treasury.*

To THOS. HEATON, Esq., Special Agent, Cincinnati, Ohio.

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

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Very Truly Yours
C. Peck

Steel Engraving in Hunt's Merchants Magazine

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

APRIL, 1864.

PELATIAH PERIT,

LATELY PRESIDENT OF THE CHAMBER OF COMMERCE, AND OF THE SEAMEN'S SAVING BANK, NEW YORK.

BY REV. LEONARD BACON, D. D., OF NEW HAVEN.*

A MAN eminent in the profession which had been his employment more than fifty years, venerable among the few survivors of a former generation, and widely honored for his wisdom and his beneficence, has passed away. To him we may apply the words in which the Idumean Patriarch speaks of himself and of the honor and affection which waited upon him in the days of his prosperity: "When the ear heard me, then it blessed me, and when the eye saw me it gave witness unto me."—Job xxix. 11. Who that has seen the dignified figure and the benevolent and cheerful countenance of PELATIAH PERIT since he began to reside among us—who that has known anything of his character and life—who that knows the esteem and veneration which attended him in that great community of merchants of which he was so long an acknowledged head—can fail to see some degree of resemblance between the princely Patriarch in the land of Uz three thousand years ago, and the princely merchant whose burial here has just added another to the honored graves in our New Haven burying ground?

I cannot hope to satisfy the feeling which has induced me to attempt, not uninvited, this memorial. All that I can do, is to give an imperfect outline of Mr. PERIT'S life, as illustrating his character, and as yielding some lessons worthy of our thoughtful attention.

PELATIAH PERIT, the son of JOHN PERIT, a merchant, (whose family name indicates his descent from that Huguenot imigration into New

* Mr. PERIT removed to New Haven in the fall of the year 1859 since which time he has attended Dr. BACON'S Church. We feel very sensibly that no pen could so fittingly portray the excellencies of this eminently Christian merchant as that o his able and appreciative pastor.—Ed. HUNT'S MERCHANTS' MAGAZINE.

England, which has contributed its full share of illustrious names to our history,) was born at Norwich, June 23, 1785. His mother was a daughter of PELATIAH WEBSTER, and to her second son she gave her father's Christian name, her husband's name having been already given in connection with her own family name to the elder son JOHN WEBSTER PERIT. PELATIAH WEBSTER was not undistinguished as a merchant, a man of letters, and a patriot. Born at Lebanon in 1725, and educated at Yale College, where he graduated in 1746, he was a classmate, an intimate friend, and a life-long correspondent of the learned President STILES. At about the age of thirty years he engaged in mercantile business, "more from necessity than from inclination," the clerical profession having been his earlier choice. He established himself in Philadelphia, and soon began to prosper. Before the commencement of the revolutionary war, he had acquired a considerable estate, but had never lost his love for study or of literary labor. As might be inferred from his intimacy with President STILES, he was an earnest lover of his country, and was active in the assertion of American rights against the aggressions of the British Government. While the British forces occupied Philadelphia, he was arrested for his loyalty to his country, and was closely imprisoned in the city jail more than four months, and plundered of a large portion of his property. Early in the progress of the national struggle for independence he directed his studies to the currency, the finances, and the resources of the country. As early as October, 1776, he published a pamphlet on the great question in every war, "How to sustain the public credit." Three years later he commenced the publication of a series of "Political Essays on commercial and financial questions," which were collected and republished in 1791. The seat of the national government being at Philadelphia for the first few years after the adoption of the Federal Constitution, Mr. WEBSTER was often consulted by members of Congress who desired to avail themselves of his intelligence and experience in matters of public economy. Senators and representatives, especially from his native State, often spent their evenings at his house in free and earnest conversation on such subjects. These things are mentioned because of their connection with the childhood of Mr. PERIT. His mother's home, after the early death of her husband, was in her father's house, and there the mind of her son, almost from infancy, began to be interested in questions relating to the commerce and resources of the country; just as any intelligent and gifted child is always interested to some degree in whatsoever is a constant theme of discussion at home among those whom he most respects. Those evenings of free talk between his grandfather and men eminent and honored in public life were always among the cherished recollections of his childhood; and they had their effect upon his intellectual tastes and habits, and afterwards upon his choice of a profession.

His grandfather died in the year 1795, and not long afterwards his mother, with her two boys, removed her residence to this town for the purpose of educating them at the college which had been her father's *alma mater*. After completing their preparatory studies at the Hopkin's Grammar School, they became students in Yale College. The elder of the two brothers, JOHN WEBSTER PERIT, graduated in 1801, and afterwards became a distinguished China merchant in Philadelphia, where he died about twenty years ago. PELATIAH PERIT graduated in the class of 1802, a class which was in many respects distinguished. Entering upon

the four years course just as President DWIGHT was completing those changes by which the college system was adapted to the new order of things in the country, when his great power in the college pulpit as well as in the teacher's chair was at its height, and when the celebrity of his name was beginning to fill the whole country, it was the first class which, because of its numbers, was placed in two divisions under the care of tw tutors. Of those two tutors, one was HENRY DAVIS, who was afterward President of Middlebury College, then elected President of Yale College, to fill the place of President DWIGHT, then President of Hamilton College. The other was that eminent man, still lingering among us in his venerable age, President DAY. From these two men, aided only by a few lectures from a professor of Mathematics and Natural Philosophy, the two divisions of the class received all their instruction through the first three years of their course. Then, through the remaining year, they were under the immediate and almost exclusive instruction of the President. No former class since the founding of the institution, had ever been so favored in the character of its teachers. At the same time the class was distinguished throughout its course by orderliness, sobriety and good behaviour. No member of it ever incurred any of the higher college censures, such as expulsion, rustication and public admonition. They had, all of them, or nearly all, come to college with the intelligent and manly purpose of preparing themselves, by a liberal education, for honorable usefulness in society. Thus their influence upon each other—and let it be remembered that the mutual influence of class-mates is a most important element in the process of a college education—was salutary instead of being mischievous, and was a help instead of being a hindrance to the influence of their teachers.

Another distinction of that class was at the time unprecedented, and, in some respects, will ever remain unparalleled. That I may explain this let me say that at the beginning of President DWIGHT's administration, (in 1795,) irreligious opinions such as then were widely current in the country, had obtained great ascendency among the college students. The time was a critical one in the history of Christianity here and throughout the world, and the religious condition of the college was very much what we might presume it would be at such a time, when skeptical habits of thinking, on all the themes both of the Christian revelation and of natural religion, were far more prevalent among educated and half-educated men than now. Those extraordinary revivings of religious thought and feeling by which the Spirit of the Lord lifted up a standard against the enemy, and turned back the incoming flood of infidelity, had not then begun in the churches. Consequently the young men who came to college from parishes and families in which the influence of the Puritan discipline still lingered, and who were of blameless morals, according to the standard at those times, came generally without any deep religious convictions and principles, and too generally went as they came. When that class of 1802 entered college in 1798, only one of the sixty or more made any profession of having experienced the power of godliness, and that one died before the third year of their course was ended. During three and a half of those four years, very few of the students were members of the college church. At the administration of the Lord's supper in September, 1801, (the Sabbath before commencement,) not one undergraduate was present as a communicant. But in March, 1802, there began the first great re-

viving of religion that had taken place within the college walls in more than half a century. On the Sabbath preceeding the commencement in that year, twenty-four of the class then graduating, sat together, and many of the three younger classes with them, at the table of the Lord. That class of 1802 was the first of all the classes whose education within those venerable walls has been attended with so great a blessing.

One of those whom that reviving of religion introduced to membership in the college church was PELATIAH PERIT. He had entered college an amiable and dutiful boy, ingenuous, tractable, genial, and of peaceful manners, but with no fixed and earnest purpose to live for God and for eternity; just one of those beloved and hopeful boys who are so often ruined by the temptations of a college life because of their amiable and attractive qualities. He graduated at the early age of seventeen, not only unharmed by the temptations through which he had passed, but inspired with the principles that form the highest and noblest type of manhood. He had considered and settled the question whether to live for himself or to live for God, and thenceforth his long life was a testimony to the earnestness of his desire.

We see something of his character in the fact that immediately after leaving college at that early age, he established in Norwich, his native place, a school for young gentlemen and ladies which gave him a temporary employment, and in which he was entirely successful. At that time he was expecting to spend his life in the ministry of the gospel. But a partial failure of his health, and especially of his voice, required a reconsideration of his purpose. Compelled to relinquish the profession to which he was led by religious sympathies and aspirations, he chose the mercantile profession as better for him than any other secular employment.

It was not difficult for him to find an eligible situation in the city where he had passed they ears of his childhood, and where the stock of which he came was favorably known. He was in his nineteenth year when he began as a clerk in one of the large importing houses at Philadelphia, which had not then ceased to be the foremost of our American cities. Nor was he long in demonstrating that all his talents and attainments might be made serviceable to him in his chosen employment. After remaining about five years in connection with the house which he had entered as a clerk, and for which he had made several voyages to the West Indies and to South America, he removed to New York in 1809, just when all the commercial interests of our country were imperilled, and were coming to the brink of annihilation, by that series of measures which terminated in the war with great Britain. How he forced through those years of disaster and uncertainty I am not informed. Let it suffice to say that when peace had been restored, and the business of the country was reviving, and its foreign commerce was beginning again to traverse freely every ocean, he became a partner in the house of GOODHUE & Co., now so widely known, and that, through all the changes which time and death made in the partnership, he remained a member of that firm more than forty years. All commercial men know the character and standing of that house, and how much of it was the character and standing of PELATIAH PERIT.

His place among the merchants of our great commercial city, was recognized by his election, eleven years ago, to the Presidency of the New York Chamber of Commerce. The rules of that body provide that no

president shall be re-elected for more than three years in succession without a unanimous vote. Yet for ten successive years he held that place of honor, being nine times re-elected by the unanimous vote of his associates. I need not say that while the place honored him, he made the place more honorable for all his successors.

To a stranger who happens to look upon the great whirlpool of business and excitement in New York, it seems as if there could be no such thing in that infinite and ceaseless agitation, as the personal influence of any individual man—unless he is a politician or the conductor of a newspaper. Yet there are, in that vast chaos, some individual men whose personal influence, without the aid of political partizanship and without any blowing of newspaper trumpets, is a power. Mr. PERIT was one of those few men. Honored and trusted in the highest walks of commerce, he was honored and trusted by the community at large—so far as there is any such community there. Many of us remember the occasion a few years ago—when the peace of that city was imperilled by the abuses of faction, and there was a dead look in the Board of Police Commissioners, and PELATIAH PERIT was chosen by common consent to fill the vacancy in the Board, and so to arbitrate, as it were between the factions, and what a relief it was to all honest men when his name was announced as the solution of the difficulty. Yet he was not one of those poor souls who have no opinion on disputed questions of great public interest, national and local, or who, having an opinion, are afraid to say what they think. The confidence of his fellow-citizens in him—so signally testified on that occasion—was simply their confidence in an honest man of clear perceptions, of safe judgment, and of a truly noble spirit. Many of us remember with what dignity he accepted (at a serious personal sacrifice,) the trust to which he was called in that emergency, and with what dignity he laid it down when the crisis had passed.

The most conspicuous thing in the public character and services of Mr. PERIT was his constant and active interest in undertakings of Christian philanthropy. He was not one of those passive philanthropists—sometimes men of great excellence and worthy to be greatly honored—who give money when called to give, but who never give their time and their personal activity to works of Christian love and zeal. From the outset of the Foreign Missionary work, as conducted by the American Board of Commissioners, he co-operated in that work with an enlightened and unfailing zeal. His connection as a merchant with the remotest lands of heathenism stimulated and sustained his interest in the blessed work of sending to those lands the renewing power of Christianity. The children of his adoption, chosen from among the relatives of his own family, were the orphan or motherless children of foreign missionaries. He was a frequent and active attendant upon the great annual meetings of the Foreign Missionary Board, for he seemed to regard his membership in that corporation as a trust not to be discharged without personal attention to its duties, and he was always ready to devise and to execute liberal things for the conversion of the world to Christ. But his interest in foreign missions, like that of every Christian soul, instead of exhausting his beneficence, was only the stimulus of his activity in doing good to all men as he had opportunity. The home missionary work, in all its departments, had an equal place in his affections. He took an early and unwearied interest in the efforts for the welfare of seamen, for to that once neglected

class he felt himself, as a merchant, bound in a special relation. He was for many years President of the Seamen's Savings Bank in New York, retaining that trust when he had laid down almost every other. He was President of the American Seamen's Friend Society, and was always active in its concerns. He valued his place as President of the Chamber of Commerce, chiefly because it made him a trustee, *ex-officio*, of that great charity on Staten Island, the Sailor's Snug Harbor. There was no sorrow within his reach, nor any suffering or degradation, which did not share his active sympathy.

Many years ago, the air of the crowded city being injurious to his health, he removed his residence to Bloomingdale, which was then a beautiful suburb, but which the growth of the great city is now rapidly absorbing. At that distance from his place of business, he was compelled to begin the day early—breakfasting often by candle-light—driving miles in his own carriage before he could reach the region traversed by omnibuses—returning after his long days work to enjoy his evening in his family. But he did not live apart or for himself. His statelier dwelling, such as became his position, was not surrounded by the mansions of the rich such as now crowd the Fifth avenue, but chiefly by dwellings of persons whose place in society was in some sort inferior to his own. He was a good neighbor there. His house was open to his neighbors for a weekly prayer meeting, and it was his constant endeavor to make those meetings for devotion the accession and the basis of a kindly social intercourse with the families of the neighborhood. While retaining his connection with the church of his own preference in the city, he sacrificed much of what may be called the luxury of religious self-indulgence for the sake of helping to sustain a church of a different name and order in that suburb. He superintended with much personal labor, a large Sunday school which was eminently useful. His house was near the large Orphan Asylum of New York, and he never forgot that those orphans were his neighbors. He watched over their welfare with incessant kindness. Every Sabbath evening, and at other times, year after year, he took part in their moral and religious instruction. Many a joyous holiday did those little ones owe to his care and bounty.

To show what was the nature of his influence as a Christian merchant, and how much of it was the effect of his rare judgment and skill in dealing with men, I may refer to a change which was effected by him, perhaps thirty years ago, in the regulations of the packet-ships sailing from the port of New York. Formerly the packets for Liverpool and other trans-atlantic ports were advertised to sail regularly on certain days of the month, and whenever the appointed days for sailing fell on Sunday, the Christian Sabbath was disregarded. To the house of Goodhue & Co. this was an inconvenience. It interfered with the Sabbath of the partners, and with the Sabbath to which their clerks and other employees were entitled. It interfered also with the religious feelings of all passengers who honored the Christian Sabbath, and were unwilling to violate their consciences by commencing a voyage on that day. At the same time it interfered with the Sunday rest—religious or irreligious—of every merchant, and of the clerks of every merchant, who had occasion to send by every packet, the latest advices to his correspondents beyond the sea. But the practice was a settled one, and how could it be changed? Those were the days when tide and time waited for no man; and was not the

sailing of a packet ship on her appointed day, even though that day happened to fall on Sunday, a work of necessity and mercy? How then should the ship-owners and merchants, many of whom had no religious regard for the sanctity of the Christian Sabbath, be brought to agree upon a change? Some men undertaking such a reform, would have begun with a public agitation on purely moral and religious grounds, and with denunciation of all persons implicated in upholding the existing arrangement, and the result would have been a failure. The personal influence of Mr. PERIT with men who, whatever may have been their own position in relation to evangelical Christianity, could not but honor his Christian character, was such that he found no difficulty in effecting a new arrangement. He succeeded in convincing all parties that the change of "packet day," from a certain day of the month to a certain day of the week was no infringement of any man's religious liberty, and was required not only in the interest of religion and Christian morals, but also in the interest of merchants and their clerks, and in the general interest of commerce.

The position of Mr. PERIT in relation to public interests, political and religious, was always highly conservative. Rash and one-sided schemes of reformation were ever offensive to his judgment. Perhaps he was more charmed with the idea of defendingand of perpetuating and perfecting the good which has descended to us from foregoing ages, than with the idea of finding out what there is in existing institutions that needs to be reformed. Yet his sagacity, his good sense, his intelligent patriotism, and his love of justice guarded him against the error of those self-styled conservative men, who sacrifice the reality to the name, and become destructives for the sake of a false and foolish consistency. Not long before the last Presidential election, there was a time when the immediate danger to the country seemed to be that the votes in the Electoral Colleges might be so divided among four candidates as to throw the election into the House of Representatives, which would prolong the agitation from November to February, and would give to desperate men an opportunity for desperate measures. Mr. PERIT had never been an active politician. But deeply impressed with what seemed to be the most imminent peril of the country, he did not hesitate to commit himself publicly and unequivocally on the question of the hour, and as a conservative man to urge on conservative men the duty of terminating the agitation by giving their votes and their influence for the only candidate in whose behalf there was a possibility of obtaining a majority in the electoral colleges. So afterwards when the long-meditated treason had become overt rebellion, and when the question was whether the national government without any considerable military force, with its navy carefully disposed in the remotest seas, with its treasury purposely empty, and its credit at a discount, could make any resistance, he was among the leaders in that movement of merchants and capitalists which brought forth millions of treasure to restore and confirm the credit of the government. His conservative sympathies and principles never led him into the error of assuming, or of conceding, that parties and party-platforms are to be cared for first, and the country afterwards; that the Constitution should be modified or given up, at the demand of rebellion, for the sake of an ignoble peace, which would be no peace; that a local and barbarous institution, the creature of State laws, ignored by the Constitution, and abhorred by the moral sense of the civilized world, is to be scrupulously maintained by the military power of

the nation through all the exigencies of civil war; or that the Government of the United States is not legitimately invested with full belligerent powers against those who, by their own act and profession, and by all the definitions of the law of nations and of the laws of war, are enemies of the United States. As a conservative man, ready for every sacrifice to save our common country, and to uphold those interests of humanity and of the kingdom of God on the earth, which are identified with our national life and welfare—he has given his hearty adherence to all the measures of the Government against the common enemy. His natural cheerfulness, exalted by a religious confidence in God, has made him hopeful for his country in the darkest hours. Assured that the progress of events is working out the purposes of God's righteousness and love, he has never been moved by any temptation "to despair of the republic;" and his expectation of results that shall amply compensate the coming ages for the sacrifices and the sorrows of our national agony, has never faltered.

About five years ago, in consideration of his advancing age, he determined, notwithstanding the unimpaired vigor of his bodily and mental powers, to withdraw himself gradually from the engagements and responsibilities with which he had been so long familiar, and to find a quiet retreat for the evening of his life. The associations of childhood and of college days, the ties that bound him to some dear and honored friends, his cultivated love of letters, and his hope of being able to combine the privileges of congenial society with the privileges of retirement from the great emporium, were among the attractions which brought him to this place. While withdrawing from an active participation in commercial pursuits, he did not propose to pass the remainder of his life in idleness, nor yet to neglect the duties which he owed to his profession. To a man like him retirement is not indolence. He proposed, indeed, to himself a leisurely closing up of his affairs in this world, and a devout and tranquil preparation for "the coming night when no man can work," or rather for a blessed waking from the last sleep; but to him some manly occupation—such as might task without overtasking his mind, and such as might yield him the consciousness of a continued service to his profession and his country—was a necessity. Having formed his plan, he immediately entered upon "the collection of materials for a History of the Commerce, Finance, and progressive Wealth of the United States, since the close of the Revolutionary War, with Sketches of the eminent Merchants who by their enterprise and talents have contributed largely to the national prosperity." In this undertaking he had, as I have already intimated, a higher end than merely to amuse his old age with a semblance of employment. He believed, with modest self-appreciation, that his fifty years of observation, and of active acquaintance with commerce, would enable him to execute his proposed work in a way which would make it useful to the country. The New York Chamber of Commerce by a vote requested him to go forward with his undertaking. Thus encouraged, he was giving the well-earned leisure of his old age to that work, an appropriate sequel to the "Political Essays" of his grandfather. With Pelatiah Webster's volume continually at hand, he had studied out all the topics of his intended history, had written extensively on most of them, and was beginning to reduce his collected materials to a form suitable for publication, when he finally rested from his labors. It is hoped that others will complete and publish what he projected and commenced.

His dying was in beautiful harmony with his living. Repeated and painful attacks of a settled disease had made him quite aware that his death could not be far off, and might be sudden. Yet his convalescence from the last violent attack had been such that he was expecting to resume, before long, his interrupted employment. When friends and physicians found themselves compelled to give up that expectation, as one fatal symptom after another began to appear, his calm but ever hopeful nature was unconscious of the change that was in progress. But when, at last, the voice that had long been dearest to him told him plainly that his latest hour was just at hand, he received the announcement with perfect composure, and with an unfaltering confidence in Christ. He was ready, and all his thoughts were full of thankfulness. He had no arrangements to make in regard to his worldly affairs. But, with characteristic scrupulousness, he recollected an oral promise which he had made of a thousand dollars for an important public institution in New Haven. The amount would have been paid a few days before, but because of his illness it had not been called for. He remembered that his oral promise could not authorize his executors to make the payment. He called for his check-book, and when he had filled out the check, and subscribed it, his work was done. Calmly and cheerfully, he waited a few hours more; and then he sank to rest, gently as a wearied child.

ACTION OF THE CHAMBER OF COMMERCE ON THE DEATH OF PELATIAH PERIT.

A special meeting of the Chamber of Commerce of New York was held March 11, 1864, on the occasion of the death of its late President PELATIAH PERIT. The meeting was called to order by Mr. A. A. Low, who made a very excellent and appropriate address which we are sorry we have not room to publish. The following resolutions presented by Mr. JOHN C. GREEN, were adopted by the Chamber:

Resolved, That in the death of the late member and President of this Board, the Chamber desire to express their recognition of the agency of Divine Providence, and briefly record their sense of the virtues and high qualities of their departed associate.

Resolved, That the Chamber bow with reverence and cheerful submission to the sovereign decree which, while removing from this sphere of service an honored and esteemed colleague, has permitted him a life of seventy-eight years of signal activity and usefulness.

Resolved, That by early and wise training, by a liberal education, and by careful subsequent cultivation of his mental and moral powers and practice in the affairs of life, Mr. PERIT was eminently fitted for the successful discharge of the duties which he assumed. As a merchant and a member of society, and of this Chamber, he was ever intelligent, courteous, and of spotless integrity. As a presiding officer, impartial, prompt and skillful. He was especially distinguished for benevolence and a broad catholic charity, which knew no distinction of race or condition.

Resolved, That the Chamber deem this a fitting occasion to express their belief, that the crowning grace of Mr. PERIT's character was his deep, intelligent, consistent and abiding religious faith. From this source he drew, as from a perennial fountain, motives of action, rules of life, incentives to diligence and perseverance in duty, and

inspirations of cheerfulness and hopefulness, which, behind the darkest cloud, ever discerned a ray of light, which beckoned onward, and brought a life of high usefulness to a happy close.

Resolved, That the Chamber direct these resolutions to be entered on their minutes, and a copy sent to the bereaved family of the deceased.

After the presentation of these resolutions, the Honorable GEORGE OPDYKE briefly addressed the Chamber, paying, in a very graceful manner, a high tribute to the excellent judgment and pure unselfish character of MR. PERIT. He was followed by the Honorable CHARLES KING, President of Columbia College. The closing sentences of his remarks form a fitting end to this biography.

"Mr. PERIT was never a partizan; he, on the other hand, never failed in the discharge of his political obligations. He always counted, as a substantive quantity, whenever and wherever he interposed, and was firm and fearless in carrying out his views.

Of the graces of his Christian character, the resolutions and the feeling and discriminating remarks of the gentleman who introduced them, make fitting commemoration.

Of the loyalty and integrity of his character as a merchant—of the beautiful tenor of his whole life—we have all been witnesses, and all feel that we shall not soon look upon his like again.

In his personal intercourse he was frank, lovely, courteous, considerate, wise.

'None knew him but to love him,
None named him but to praise.'"

FINANCES OF THE STATES.

We have made up from official data the following statements, giving the receipts and disbursements for the year 1863, and the debt at the end of that year, of each State, excepting, of course, those now in rebellion:—

PENNSYLVANIA.

The revenue and expenditure of the State of Pennsylvania, for the year 1863, were as follows:—

Revenue.		Expenses.	
Ordinary Receipts..	$3,959,438 61	Expenses.....	$3,139,121 08
Miscellaneous	330,013 04	Military.....	208,074 44
		Other,.....	967,768 53
Total	$4,289,451 65		$4,314,964 05
On hand Nov., 1862	2,172,844 10	Nov., 1863.....	2,147,331 70

The excess of expenditure for the year was made up from the balance on hand.

The State debt was as follows:

PENNSYLVANIA PUBLIC DEBT.

The indebtedness of the Commonwealth of Pennsylvania on the first day of December, 1863.

Funded debt, viz.:

6 per cent loans, ordinary.....	$400,630 00

5 do do	35,709,986 45		
4½ do do	268,200 00		
			$36,378,816 45
Unfunded debt, viz.:			
Relief notes in circulation.....	97,251 00		
Interest certificates outstanding	15,356 63		
Do unclaimed.	4,448 38		
Domestic creditors' certificates.	724 32		
			117,780 33
			$36,496,596 78
Military loan, per act of May 15, 1861.....			3,000,000 00
Public debt, December 1, 1863.....			$39,496,596 78
Public debt December 1, 1862			$40,448,213 82
Deduct amount redeemed at the State Treasury during the fiscal year ending with November 30, 1863, viz.:			
5 per cent stocks	$888,499 78		
4½ do do	63,000 00		
Relief notes.....	109 00		
Domestic creditors' certificates	8 26		
			951,617 04
Public debt, December 1, 1863.....			$39,496,596 78

The redemption of this debt, $951,617 04, by the commissioner of the military fund was in currency, and gave rise to great complaints, and that justly, particularly on the part of the foreign holders who had loaned specie and got back not more than two-thirds of what was their due. The commissioner had, however, no option under the law. The funds provided were in paper, and they had no authority to pay specie, and the loans were discharged in legal tender.

The result for the state is a great diminution in debt. The interest on the debt of Pennsylvania is paid in specie. But the funds are derived from the banks, which are required by law to pay into the Treasury their rateable proportion of such premium on gold as is required to meet the interest. By the act of January 30, 1863, the banks were required to exchange a sufficient amount of coin for currency, receiving in return Treasury certificates pledging the State faith to return coin before March, 1864, with 2½ per cent interest. $1,968,904 coin was so obtained, and there is $41,040 interest due the banks. The State had to pay $1,013,986 premium on the coin to return it. The banks demurred at this system of calling upon them to furnish coin, particularly at a time when they were called upon to struggle against a new system of banking which was not subject to State taxes. In the years 1837–39, the State of Pennsylvania was forced to suspend her interest or pay in paper, thus drawing loud and deep groans from the Dean of St. Paul's. When the difficulty passed, the State, by the act of June 12, 1840, appropriated a sufficient sum to reimburse her loanholders for the difference in value between specie and the currency in which they had been previously paid,

and then solemnly declared, "that hereafter the interest falling due on Pennsylvania stocks shall always be paid in specie or its equivalent." This is the law to-day, and for its observance, and the maintenance of the present good name of the Commonwealth, no effort or sacrifice ought to be spared. The taxable property of Pennsylvania is as follows:

Real and personal estate		$595,591,994.
Tax assessment	$1,545,643 94	
½ mill tax	294,859 72	
		$1,840,503 66
Population		2,921,046
" taxable		642,468

NEW HAMPSHIRE.

The general receipts and expenditure of the State of New Hampshire, for 1863, were as follows:

Revenue.		Expenses.	
Taxes	$137,085 61	Ordinary	$210,539 32
Loans	239,300 00	Aid volunt'r families, &c.,	183,810 56
Total	$376,385 61		$394,349 88

The following is a statement of the military operations of New Hampshire:

Regiments.	Quartermaster.	Recruiting.	Bounty.	Total.
1	$4 86	.....	.....	$4 86
2	51 75	152 00	$5,160 00	5,756 81
3	8 00	179 00	6,660 00	6,892 02
4	....	62 00	2,470 00	2,583 38
5	17 62	176 00	6,410 00	6,621 12
6	19 09	208 60	360 00	832 72
7	....	64 00	3,960 00	4,024 00
8	75 23	28 00	780 00	1,011 01
9	27 25	1,660 00	47,250 00	78,138 08
10	....	1,794 00	41,400 00	51,637 10
11	1 00	1,852 00	48,050 00	56,352 91
12	....	1,932 00	48,600 00	59,041 44
13	....	1,932 00	46,400 00	61,968 60
14	....	1,890 00	41,650 00	57,356 17
15	57 25	.....	.....	6,309 91
16	57 27	.....	.....	7,660 70
17	....	.....	.....	6,525 18
Battery	....	12 00	360 00	385 50
Sharpshooters	....	28 00	1,020 00	1,048 00
Cavalry	5 25	14 00	1,980 00	2,369 17
Forts	270 94	.....	.....	1,192 80
War claims	....	.....	.....	8,683 74

Total military expenses	$426,395 18
Direct tax, &c.	271,117 67
Total expenditure	$697,512 85
Cash on hand June 1, 1863	31,461 51
Grand total	$728,974 36

Receipts:

Sale State bonds	$482,308 50	
U. S. direct tax	218,406 67	
In Treasury, June 1, 1862	28,259 19	
		728,974 36

The total debt of New Hampshire, at the end of the fiscal year of 1862, was $735,100.

During 1863 additional loans have been negotiated to the amount of $239,300 for the temporary use of the State, and $482,308 50 for military expenses.

NEW YORK.

The receipts and disbursements of the New York general fund, for the year 1863, were as follows:

Receipts.		Payments.	
Loans State defence	$2,000,000 00	Bounties	$4,650,277 54
Auction and salt duty	187,951 06	War expenses	640,114 58
State tax	4,700,952 77	Debt	1,605,138 33
Canal revenue	200,000 00	Canal loan	355,040 28
Miscellaneous	22,875 00	Sinking fund	1,065,148 17
Prisons' earnings	267,125 30	Other Expenses	1,589,880 57
Sale of arms to U. S.	230,599 99		
Native guard fines	70,101 37		
Non-resident taxes	57,277 65		
Banks	33,020 33		
Other items	50,105 59		
Total	$7,820,009 06	Total	$9,804,599 47
On hand 1862	821,612 11	Deficit	1,192,787 77

The debt of the State is as follows:

Canal debt	$23,268,310 25
General fund debt	6,505,654 37

The State valuations are as follows:

Acres of land	28,297,142	
" " assessed	27,693,721	
Real estate value		$1,119,708,722
Personal "		340,838,266
Total valuations		$1,462,778,067
Equalised "		1,454,454,817
Town taxes	$3,421,806 01	
County taxes	12,352,720 57	
School "	1,090,841 11	
State "	6,181,432 97	
Total taxes (15 mills per one dollar)		$23,046,800 60

MICHIGAN.

The receipts and expenses of the State of Michigan, for the year 1863, were as follows:

Receipts.		Expenses.	
Ordinary.....	$1,401,366	Ordinary.....	$1,047,245 52
$2,000,000 loan	2,009,210	Five million loan...	1,901,185 00
War bonds.....	71,100	Other bonds.....	179,125 00
Total.....	$3,481,676		$3,127,555 52

The amount expended by the State for war purposes was $232,903 94. The State debt is as follows:

State indebtedness.

The funded and fundable debt is as follows:

Renewal loan bonds, due January, 1878,.....	$216,000 00
Two million loan bonds, due January, 1868,.....	250,000 00
" " " " 1873,.....	500,000 00
" " " " 1878,.....	500,000 00
" " " " 1883,.....	750,000 00
War loan bonds, payable January, 1864,.....	16,400 00
" " due January, 1886,.....	550,900 00
Total.....	$2,783,300 00
Canal bonds guaranteed by State.....	100,000 00
Matured adjusted bonds, interest stopped, payable on demand	10,000 00
Matured full paid 5,000,000 loan bonds, interest stopped, payable on demand,.....	12,000 00
Temporary loan bonds, interest stopped, payable on demand, ...	5,000 00
War loan bonds, interest stopped, payable on demand,.	2,000 00
Outstanding part paid (unrecognized) bonds, $140,000 adjustable at	80,999 80
Total.....	$2,993,299 80

IOWA.

The receipts and expenditure for the State of Iowa, for the years 1862 and 1863, were:

Receipts,.....	$866,816 62
Expenses,.....	854,101 65
Excess receipts,.....	$12,714 97

The expenses of the State for war and defence were $710,986 22. The State debt is as follows:

The State has borrowed of the Permanent School Fund the following sums, to wit:

On bonds payable May 1, 1854, (Chap. 58, Acts 1849)..	$16,442 05
" " Sept. 15, '59, (Chap. 70, Acts 1849)..	6,000 00
" " Jan. 1, 1856, (Chap. 51, Acts 1851)..	2,353 70
" " July 15, 1861, (Res. 9, Ex. Sess. '56)..	40,000 00
And amount borrowed Jan. 1, '57, (Chap. 3, Acts '56-7).	57,500 00
Total amount of School Fund borrowed,.....	$122,295 75

Iowa seven per cent bonds payable in New York, Jan. 1, 1868, issued under Chap, 7, Acts 1858,.....	200,000 00
Making.....	$322,295 75
To which add amount of bonds sold under Chap. 16, Acts Extra Session 1861, for War and Defence Fund,.....	300,000 00
Making total bonded debt, ...	$622,295 75
The taxable property of the State is as follows:	
Acres land,.....	28,336,345
Value of land,.....	$111,653,109
Town property	22,992,759
Personal "	32,463,106
Total.....	$167,108,974
2 mill tax.....	334,218

WISCONSIN.

The finances of the State of Wisconsin embraces a great number of funds, fifteen in all, under which as many branches of the national service are conducted. The aggregate receipts of the funds was $2,636,888 90, and the expenses $2,581,180 07. Of these the general fund and the war fund possess the most interest. The former was as follows for the year:

Receipts.		Payments.	
Taxes	$786,128 37	Interest.....	$104,512,97
Loan	50,000 00	Paid war fund	272,156,16
Miscellaneous	34,247 62	State expenses	434,274,42
Total.....	$860,375 99	Total.....	$810,349 55
On hand.....	166,523 04	On hand	205,958 61

By the law of 1863, the Governor was authorized to contract a loan for war purposes of not more than $350,000. Of this amount $220,000 was invested in the School Fund, which had received the money from lands. There remains $130,000 available for war purposes. The war fund showed receipts from all sources including State war tax, $272,156, $807,929 of which $604,999 was applied to Volunteer aid. The debt of the State is now $1,720,000, after deducting $50,000 redeemed in the past year. This debt is payable a portion every year up to 1894. Of the stock $1,340,900 is deposited for security of the Wisconsin bank circulation.

CONNECTICUT.

The taxable property of the State of Connecticut is as follows:

Counties.	Grand List.	Tax at 2 mills.	Military Commutation Tax at $1.
Hartford	$54,880,520	$109,761 04	$4,142 00
New Haven.....	54,890,074	103,241 73	3,098 75
New London.....	32,430,455	64,860 91	2,581 00
Fairfield.....	42,402,840	84,805 68	3,246 00
Windham	14,225,520	28,451 04	1,408 00
Litchfield.....	24,804,060	48,135 65	2,599 00
Middlesex	14,762,995	29,525 99	1,488 00
Tolland	8,669,346	17,338 70	1,375 00
	$247,065,810	$486,120 74	$19,937 75

The revenues of the State for a number of years have been as follows:

1854.....	$694,319 93	1859.....	1,058,447 31
1855.....	613,448 55	1860.....	1,010,594 04
1856.....	667,363 59	1861.....	805,971 62
1857.....	1,000.025 02	1862.....	4,341,147 95
1858.....	1,014,261 94	1863.....	5,101,874 74

For the last year the receipts embrace all the State Funds, School, Hospital, etc. The Civil were as follows:

By balance on hand, April 1, 1862.....	$298,489 42
" Dividends from Banks.....	34,387 00
" Miscellaneous Receipts.....	33,119 60
" Avails of Courts and Bonds.....	9,700 40
" Tax from Agents of Foreign Insurance Companies...	2,845 70
" Tax on Non-resident Stocks.....	17,397 45
" " Railroad Companies.....	49,669 72
" " Capital Mutual Insurance Companies.....	15,694 31
" " Savings Banks.....	110,576 63
" " Towns.....	524,152 08
" Interest and Premiums on State Bonds.....	104,291 67
" State Bonds.....	1,000,000 00
" Temporary Loans unpaid.....	392,300 00
Total.....	$2,592,623 98

By balance on hand, April 1st, 1863	$106,170 04
Dr.	
To paid orders registered in the Comptroller's Office...	$184,791 06
" Comptroller's Orders on Treasurer.....	2,151,580 88
" Interest on temporary Loans for State	31,573 00
" " State Bonds.....	118,509 00
Balance on hand.....	106,170 04
Total.....	$2,592,623 98

Under the act of December 24, 1862, a loan of $2,000,000 was authorized. Of this $1,000,000 was sold and included in the above account.

The sale reduced premiums ranging from nine $\frac{3}{16}$ to twelve per cent, the average being ten $\frac{3}{16}$ per cent, thereby netting to the State the sum of 102,535,$\frac{3}{16}$ dollars. The entire loan was issued in bonds of one thousand dollars each, having twenty years to run, from the first of January, 1863, all of which have been duly executed, and delivered to the proper recipients.

The State's quota of the United States direct tax of 1861, 261,981$\frac{3}{16}$ dollars in amount, has been paid by a surrender of the certificate of indebtedness of the United States for $606,000 held by the Treasurer of the State at the date of the last annual Report, and a new certificate for the balance was given, and is in the State Treasury.

(To be continued.)

THE MONTAÑA OF THE ANDES.

BY DR. J. HUNTINGTON LYMAN, NORTHAMPTON, MASS., LATE SECRETARY OF THE U. S. COMMISSION TO PERU.

On the eastern slope of the Andes there is a region of which little has yet been written. Few travelers have visited it for the purpose of discovery and making known its wealth and commercial advantages.

The Government of Peru, since it has assumed a paternal and national character, as compared with its former selfish individualism, has within a short period instituted various exploring expeditions for ascertaining the nature of the climate, resources and best mode of development of the region referred to. It has sent out scientific and practical men in different directions, who are still engaged in the work. It also has in its employ intelligent engineers from the United States and Europe surveying routes for a railway across the Andes.

The men now at the head of public affairs have the wisdom to understand that the guano deposits from which the revenue of Peru is chiefly derived cannot last twenty-five years longer at the current rate of exportation, and are consequently aware of the necessity of providing for some more permanent source of income for the support of the national government. They are intelligent, patriotic men, and are sincerely desirous of benefitting their country. The reports they have received from the various exploring expeditions sent out by them, and from the prefects and other officers of the Government in the departments and villages of the *interior*, have conclusively shown that the future wealth and revenue of Peru will be found mostly there. They are at work in a practical way, developing that country by offering inducements to emigrants, granting to them special privileges, by opening wagon roads, as well as in the survey of routes preparatory to the building of railways, and also by persevering efforts to procure the opening of the Amazon by Brazil to the commerce of the world.

In this paper we propose briefly to notice the present resources of Peru, as developed on the coast, and also the character of that extensive region on the eastern slope of the Andes known as the *Montana*,* in order to direct public attention, not only to the great excess of its territory on that side of the mountains, but also to the unexampled profusion of the mineral and vegetable wealth of that section, its excellent climate, its perennial summer, and its navigable rivers opening the country in every direction, and affording easy transportation to the United States by the Amazon and the Atlantic.

The Republic of Peru is divided by the Cordilleras of the Andes into two portions. The *western* section is a narrow strip of land about twelve hundred miles long, and from ten to forty miles wide, from the sea to the base of the Andes, which rise abruptly into the region of perpetual snow.

On this portion there is but little sign of vegetation, except where the land is irrigated by the few small streams formed from the melting snows in the high valleys of the mountains. In some few localities the soil re-

* Pronounced *Montanyah*.

quires only moisture to yield large returns. By means of canals the Incas secured abundant harvests; but without irrigation there is scarcely any evidence of vegetable life.

There are, however, extensive and valuable saline deposits, principally nitrate and borate of soda, and also the muriate. In fact the surface soil on many portions of the coast is so impregnated with nitrous and other salts, as to forbid all attempts at cultivation.

Some of the saline deposits are so peculiar in their character as to offer an interesting subject for scientific investigation.

Common table salt is very abundant. It is somewhat impure, but is freely used by the natives for culinary purposes. In one place this formation is very curious. It is on a shallow lake, of about one foot in depth, of intensely salt water, the surface of which is covered with an incrustation some ten inches thick, appearing like a pond frozen over. The salt is sawed out in blocks nearly a foot square, and removed, leaving the open water upon which another similar incrustation soon forms. These blocks are found for sale in the grocery shops of Lima and other towns.

But of all the saline formations of Peru, none equal in extent or probable value those of the province of Tarapaca, consisting of the nitrate and borate of soda. Not even the guano deposits can compare in value with these last; for the guano will soon be exhausted, but these promise a perpetual revenue to the government, limited only because the demand will not probably equal the supply.

These deposits of soda, principally nitrate, extend over an area of one hundred and fifty square miles, in the desert of Tarapaca, and are found several feet in thickness—so thick and solid that they are sometimes broken up by blasting.

Both the nitrate and borate of soda are becoming valuable articles of commerce, but in view of their abundance, it is fortunate for the best interests of Peru that they are not so immediately valuable in agriculture as the guano. If they were as available as the last, they might prove to be anything but a blessing to the nation, for such immense wealth ready for use, with scarcely any labor necessary for its production, as is the case with the guano, would, as all experience shows, tend to a speedy enervation of both government and people. The guano, however, is fast disappearing, and does not enter into any calculation of future permanent revenue.

The principal source of durable wealth of a nation must be found in agriculture. In Peru this cannot be carried on profitably, in its western division for reasons above given. As the mineral resources of Peru are found in the Andes and Eastern divisions, we will not speak of them here.

We have referred to the speedy removal of the guano deposits. There are only about ten or twelve millions of tons of *pure* guano remaining on the Peruvian islands; which is being exported now at the rate of nearly four hundred thousand tons per annum, with a rapidly increasing demand; and as, thus far, none equally good has been found elsewhere to any amount, it is evident that it will probably soon disappear.

The birds which are mainly the producers of this article, are no longer left undisturbed by man, and there can be no hope of any additional accumulations, in quantity sufficiently abundant to stimulate the enterprise of men in search of it.

The principal deposits are on the Chinchas and Lobos islands. There is one small island called "Macabi" in latitude 7° 50′ south, which presents the appearance of a haycock. It is a table of granite, about one thousand feet in diameter, and elevated fifty feet above the sea. Upon this table rests a conical mound of pure, hard, almost crystalline guano, with its apex one hundred and fifty feet above the rock. An American Engineer, in the service of the Peruvian Government, lately sunk a shaft into the top of this mound to measure the deposit. At the depth of *one hundred feet* the auger was very much clogged by the *hair of seals.* After boring one hundred and thirty feet the instrument broke. Marine animals, like the seals, instinctively climb upon the rocks to die, and all these guano islands show that the remains of such animals enter largely into the composition of the deposit. On this island of Macabi it is estimated that there are at least seven hundred and fifty thousand tons of pure guano.

The preservation of the saline and guano deposits of the coast land and islands of Peru through many ages to the present time is owing to the fact that it *never rains* there. No drenching, wearing rain ever falls, nothing at the most beyond occasional and very slight showers; nor are the dews sufficiently penetrating to encourage vegetable growth.

The oldest buildings in Lima—the Cathedral, for instance, which is nearly three hundred years old—constructed as they are of sun-burnt bricks—common dry mud—show conclusively that there is not sufficient moisture in the atmosphere to wash or wear away the material of which the buildings are made.

It is very singular that it never rains on the coast of Peru, when the coast of Chili having in part the same lineal direction, and sea winds from nearly the same quarter, is comparatively fertile, as is also the coast of Ecuador on the north. In each of these three countries the Andes are about equally distant from the sea.

Why should the coast of Peru, having the same physical features with the other two Republics, and a shore line generally more favorable for receiving the moist southerly winds of the Pacific, be a barren, rainless land, while they are well watered and fertile?

The prevailing winds from the Pacific blow along the coast of South America in a northerly direction, with sufficient easterly trend to bring over the land the moisture evaporated from the sea, which is precipitated in heavy fertilizing showers upon the coast land of Chili and Ecuador, but refuses any of its blessings to the *intermediate* coast land of Peru.

An intelligent Peruvian officer, Senor Raimondy, now engaged in exploring the Montana, alluding to the above singular fact in one of his reports to the Government, says: "No one has referred to the influence which the nature of the soil on the coast of Peru may have in causing the absence of rain in that region. The coast of Peru appears to have been recently lifted from the ocean, covered with a thick coat of sand in its whole length and breadth, extending even far up on the sides of the hills, which skirt the western base of the Andes, where are found shells like those now gathered on the neighboring shore. This sandy coast, being under the direct solar rays, attracts a large amount of caloric—so much so as to cause an upward current of hot air, which, coming in contact with the moist winds blowing over the land from the sea, prevents their condensation, and disperses them into the more elevated regions of the atmosphere, where the

moisture is precipitated in snow and hail upon the lofty summits of the Cordilleras."

Humboldt alludes to this upward current, but neither he nor Raimondy accounts for the bulk of the moisture brought in from the sea; a portion of which does fall in snow; but if all were deposited upon the sides of the Cordilleras, the immense volume would give origin to larger and more numerous rivers than actually exist.

Assuming the above explanation to be correct, we may perhaps account for the disappearance of the chief portion of the moisture, on the supposition that, as the clouds reach the crests of the Cordilleras, they come in contact with upper currents which have a westerly direction, and are thus carried back upon the Pacific; for the south-east and north-east trade winds of the Atlantic, which so bountifully supply the greater part of South America east of the Andes, impinge with considerable force upon the eastern slope of the Cordilleras, and are in part deflected upwards, and, thus clearing the summits of the mountains, proceed westward to the Pacific, carrying the ascending coast winds of Peru with them.

Whatever the true theory may be, the fact that the sea-coast of Peru is a barren, rainless land will probably always hold good; while, in striking contrast, the coast north and south of it is clothed with a luxuriant vegetation. As Peru is deprived of rain on its western division, Providence has endowed that portion of the country with the valuable saline deposits, rare in kind and abundant in quantity, to which we have already referred.

Let us now look at the eastern division—"The Montana" so-called—where everything is the reverse of what we have thus far seen. This division has the form of a triangle, with its base resting for six hundred miles, upon the Amazon river, and its apex extending to Bolivia, six hundred miles south. Its eastern boundary is the river Yavari, a fine, large, navigable stream, flowing north, and emptying into the Amazon near the town of Tabatinga, on the north-west corner of Brazil, where the Amazon is nearly two miles wide, and a hundred feet deep. The Cordilleras of the Andes constitute the western boundary.

This section of the country is opened through its centre from South to North by the Ucayali river, which is one of the principal sources of the Amazon, uniting with it twenty-three hundred miles from the Atlantic, and navigable for vessels of two hundred tons, for more than three hundred miles from its mouth, near the flourishing town of Nauta, which contains upwards of three thousand inhabitants. It is a wide, deep, gently flowing stream, with branches on each side practicable for smaller vessels, thus rendering every part of the country accessible to commercial enterprise. For steamers of light draft, it is reported to be navigable to within a short distance from Cuzco, or a thousand miles from its mouth. By one of its branches access can be had, it is said, to a point not far from the large town of Ayacucho. Two hundred miles up the river is the town of Sarayacu, in which is a population of a thousand souls. Both this town and Nauta—where the Amazon is three miles wide—are promising centres for future commerce.

The Pachitea, a branch of the Ucayali, was explored last summer—the dry season—and found to be navigable for vessels drawing four feet of water to Mairo, which is near the fine city of Huanuco, in the very heart of the land, in the same valley with the ancient mining town of Pasco, and

not far from one of the proposed termini of the railway now being surveyed from Lima. All those points can be easily connected by railroad with that terminus, as the grade will be very light.

This eastern division of Peru contains more than three quarters of the area of the entire republic. There is but little, if any, unavailable land, except high up on the mountains, which on the other hand are so rich in mineral wealth as abundantly to compensate for their lack of fertility. While the whole of this immense country is replete with agricultural and mineral resources, the preference is perhaps to be given to that portion lying between the Ucayali on the east and the Cordilleras on the west, extending from the Amazon to Bolivia. This strip of territory is *especially* known as the Montana of Peru. The entire Montana of the *Andes*, including that of Bolivia, is about a thousand miles in length, with a population of more than a million of inhabitants. This word "Montana" is familiar to Spanish Americans, and associated in their minds with the idea of all that is desirable in the vegetable kingdom. It does not signify *mountainous*. It is derived from the Spanish word *monte*, meaning *bush*, a clump of trees or bushes; and as applied throughout the western coast of South America, it denotes a country of forests and bushes, of rolling lands and plains, including particularly the fertile slopes of the Andean ranges. The Cordilleras, from Ecuador in the North to the Southern border of Bolivia, decline gently and irregularly to the eastward. The width of this slope, from the upper part of the range where fertility begins, to its easterly edge where the rolling lands disappear in the vast plains beyond the Ucayali, is about a hundred miles.

The *Bolivian* Montana is, in all probability, easily accessible by the Purus river, which, so far as explored, is found to be broad, deep, and free from rapids. There is little reason to doubt that such are its characteristics throughout its whole length, as it traverses the great plains west of the Brazilian mountains. If the navigability of this river is established, it will open the rich Montana of Northern Bolivia, as well as the opulent department of Cuzco, in Peru, to steamers from the Atlantic. By the Purus the route to the ocean would be almost in a straight line from south-eastern Peru, a much shorter distance than by the Ucayali. This splendid Montana of Bolivia is, without doubt, also accessible by large steamboats through the *Madeira* river, which unites with the Amazon one thousand miles from Para, and not far below the thriving town of Barra, which contains about five thousand souls. The Madeia is a noble stream, entirely unobstructed for five hundred miles. In latitute ten degrees south, spurs from the Brazilian mountains interrupt its flow. Were a canal made around the falls, there would be opened an additional five hundred miles of good navigation; in fact, vessels from the Atlantic could penetrate to the very heart of Bolivia.

As the Montana of the Andes, both in Peru and Bolivia, is undoubtedly penetrated by rivers that are now navigable, or, if obstructed, can be opened without serious difficulty; and as both possess the same physical features, material wealth, pleasant, healthy climate, rich soil and perennial luxuriance; it may be well to speak of their commercial prospects and resources, as common to both.

The traveler already quoted, Senor RAIMONDY, who has made extensive explorations in the Montana under the authority of the Peruvian Government, speaking of the country, says: "No words can give an idea of the immense

variety of natural productions, and of the incessant activity of nature in unfolding her creations. In truth, throughout this region are united all the conditions most favorable for vegetable life; such as an atmosphere constantly charged with moisture, a temperature sufficiently elevated, and a rich virgin soil. In every direction there is presented to the eye an exuberance of life so great, that every material object seems to be animated."

Nearly all the tropical productions of the globe are found there. Chief among them are cotton, coffee, sugar-cane, rice, tobacco, cacao, indigo; with corn, barley and wheat on the uplands. The forests abound in the various dye-woods of commerce, in ebony and many other kinds of wood valuable for cabinet-work, the veneers from which present very beautiful combinations and contrasts of colors. Trees and shrubs, possessing medicinal and other desirable virtues, some of which are well known and appreciated by the civilized world,such as india-rubber, Peruvian bark, various balsams, as copaiva and tolu; gum copal, sarsaparilla, vanilla, and many more are there thrown together in the wildest profusion. Great quantities of honey and of clear white wax are found, and have already become important articles of traffic with Brazil. It seems as if nature had determined that all her agents should contribute to the varied wants of man, for among the fish of the rivers there is one kind called the Paichi, often ten feet in length, and weighing three hundred pounds, which is so important an article of trade with Brazil, that, in the proper season for taking it, the entire population inhabiting the banks of the Ucayali and the Huallaga enter upon the work of catching and salting it for the Brazilian market. Throughout the Cordilleras and their spurs are rich mines of gold, silver, iron, copper, tin, lead; also extensive fields of bituminous and anthracite coal, gypsum; fire-clay also for furnaces.

Cotton grows wild, and is both white and yellow, the latter variety resembling the Chinese cotton known as "Nankeen." The staple is finer than our ordinary production, and second only to the "Sea-Island." When cultivated the yield is very bountiful. There is also a species know as "hill-cotton," the product of a large *tree*, that bears it in great abundance. This is likewise of two colors, one yellowish, the other as white as snow. It has the softness and gloss of silk. Another production, called by the natives "vegetable wool," is yielded in large quantities by a variety of cactus. It is somewhat like the yellow cotton, but slightly crispy. Several heavy bales of this article were recently noticed by the writer on board of the steamer from Lima to Panama, on their way to England, to be experimented on by the cloth manufacturers.

The coffee-tree is indigenous in the Montana. When cultivated, it bears in three years, and each plant is calculated to produce a crop of at least a bushel of berries. Its quality and aroma are equal to those of the finest Mocha. Those who have drank coffee in Lima will testify to its delicious flavor.

The sugar-cane is evidently at home in that region. In our Southern States it must be replanted every two or three years; but there, when the cane is once set, it lasts for a generation. Within about six months from the planting, the canes are ready to be cut. They are large and more juicy than ours, and each plant yields from sixteen to twenty fully matured stalks.

Corn and rice mature in four months, and on the ingathering of the crop the ground is at once ready for another planting. "In fact the fertility of

the soil is so great," says a Peruvian officer long resident in Huanuco, "that it is only necessary to burn off the weeds and brush in any place, and then to scratch in the seed, to receive in due time a most abundant harvest."

The quality of tobacco is said to be equal to the best of Cuba, and is held in high estimation on the coast; but, like all other productions of the Montana, the article is expensive there, owing to the difficulty of the transportation across the Cordilleras, which railways will remove.

For the common people of tropical America, farina and bananas are the main reliance for food, and are as important to them as rice to the natives of India. The banana is every where abundant, and of many delicious varieties. "Clusters of monstrous size" are sometimes gathered, in one instance "weighing *a hundred and fifty-nine pounds*"! The "farinha" of Brazil is prepared from the root of the *Jatropha manihot;* while the farina of the Montana is manufactured from another species of the *manihot*, known in Spanish America as the *yuca*, which when boiled is very pleasant and nutritious. It is to the natives as valuable as the potato is to the Irishman, and far more sure of growth and abundant yield. They esteem this root very highly, also, for the fermented beverage they make from it which they call *masato.*

The inhabitants of the Montana are principally descendants of the tribes subject to the Incas. They are somewhat civilized, and nominally Christian, and are to be found chiefly in the smaller villages. They are an indolent people, of few and simple wants. The inhabitants of the cities and large towns are generally the progeny of Spanish and Indian parents. A few whites are scattered among them, who have no Indian blood. These latter *mixed* races are at present the only enterprising portion of the population. They need the opening of the country to stimulate them to useful industry. On the eastern side of Ucayali are some small tribes of wild Indians, not exceeding five thousand in number, who must disappear before the advance of civilization. It is said that there are many negroes among them, fugitives probably from Brazil.

The climate of this region is generally pleasant and healthy. Although it lies within the tropics, and is covered with luxuriant vegetation, and has a moist atmosphere—conditions usually regarded inconsistent with salubrity—yet it is not considered unhealthy, these facts notwithstanding. In this respect it differs from many localities along the banks of the large rivers in the interior of South America, as, for example, the Orinoco and the Rio Negro. In the lowland of the extensive Pampas, the great rivers overflow their banks in the rainy season, and the stagnant water left by the freshets is a fruitful source of febrile disorders among the residents; although travelers passing through are not ordinarily affected. In the Montana the surface is more rolling than level, the drainage is good, the rivers have a current of about three miles to the hour, and except near their junction with the Amazon, there is but little overflow. Another reason for the general salubity of this region is to be found in the strong winds which ordinarily prevail in the middle of the day. The uniform testimony of those long resident there is that the climate, though warm and moist, is healthy and agreeable, and that no serious endemical diseases prevail.

A brief description of the environs of the city of Huanuco may convey some idea of the general aspect of the country we have been considering. The city itself is in latitude ten degrees south, and contains a population

of about eight thousand. It stands on the bank of the Huallaga, one of the principal sources of the Amazon. In front of the city is a beautiful wide valley, every where dotted with flourishing plantations of sugar-cane, cotton, coffee and tobacco. On the neighboring upland are fields of wheat, barley and maize; or, where these are not cultivated, are found large herds of cattle fattening on the rich pastures of those slopes. Grapes, oranges, citrons, nectarines, "avocado" pears, pomegranates, the refreshing "granadilla," which is the fruit of the passion-flower, and many other fruits are there; among which is the delicious chirimoya, which not unfrequently weighs fifteen or twenty pounds, while in other countries its weight rarely exceeds four pounds. This beautiful spot was one of the few places selected by the Incas for their own pleasure, and in it are found many ancient ruins. In the *Quichua*, or Inca language, it was called "*Huanucumi Pilcopac*," *i. e.*, "*I die* for Huanuco." There is a species of hawk in that locality, which is called *Pilco*. Its plumage is jet black, with a scarlet crown of feathers on its head. It feeds upon reptiles, some of which are poisonous; and, when bitten, is said to fly to a certain bush called *Huaco*, the leaves of which it eats, and remains unharmed. Its note has the sound of the word "*pilco-huaco*," from which both the bird and the plant derive their name. A decoction of the leaves of the plant is esteemed very highly by the inhabitants of the Montana as a cure for acute rheumatism, and an antidote for venemous bites. The bird was the emblem of the Inca sovereignty, and is found on old Peruvian paintings.

The Incas fully appreciated the beauty and value of the Montana, and caused roads to be made through it in different directions. There is an old road leading from the village of Ambo to the city of Huanuco, a distance of fifteen miles. It is a broad, level highway, bordered by a dense thicket of fine large trees, intermingled with the richest profusion of tropical shrubbery. Beautiful vines twine among the branches, or hang from tree to tree in graceful festoons or wreaths, shading the weary traveler from the mid-day sun, while his senses are regaled with luscious fruits, the sweet fragrance of flowers, and the enlivening songs of birds. Gorgeous butterflies flit about, rivalling the dazzling plumage of the humming-birds. To the Incas it was indeed a fairy land, and no wonder they longed to return to it, when absent on their expenitions to the dreary sea-coast, or upon the cold *Punos*, or table-lands of the Cordilleras.

Throughout the length of the Montana, on its western border, are found many large thriving towns, from which good roads are built, or can be made with no insurmountable grades, to points for steamboat landings on the Ucayali, Purus and Madeira, and their navigable branches, to which points communication will yet be opened, with ramifications in every direction for gathering up the precious and useful products of the land, to be exchanged for the various articles of American manufacture so highly prized there. Our Yankee commercial enterprise is ever ready to engage in any paying adventure, and the moment that restrictions upon foreign commerce are removed by Brazil, and the accessibility of those regions by means of navigable rivers is demonstrated, our merchants will exchange commodities with the inhabitants to an extent that will prove highly satisfactory to both parties, and the wealth of the Montana will be poured out in ever-increasing abundance for the benefit of those who seek it.

Who shall estimate the importance to the world of the future cotton-fields of the Montana of the Andes, yielding as they will large and unfailing supplies of that indispensable commodity? The commerce of the world is yet in its infancy.

The question will now naturally arise, "How shall our country avail itself of this boundless wealth? Here is a country endowed by its Creator with inexhaustible resources for the benefit of mankind. He has furrowed it in every direction with large rivers to render it convenient of approach. There is no want of energy among our countrymen, and they need only the stimulus of prospective remuneration to induce them to enter on this profitable field. Every one remembers through what fearful perils and sufferings the earlier emigrants to California passed to reach that land of gold. Nothing but the discovery of the precious metal drew them thither. But the Providence, which designed to employ that new State for important ends, bearing on the welfare of Eastern Asia and the islands of the Pacific, concealed the mineral wealth of the land, until in the fullness of time its sovereignty had passed to the most enterprising of nations. Then the secret treasures were revealed, and immediately, in defiance of all dangers and hardships, the region was settled. So will it be with the Montana of the Andes. Not that the sovereignty of the land shall ever be wrested from its rightful owners; but as soon as Brazil shall consent, a *friendly* international commerce will spring up, to the advantage of all who engage it. The only difficulty in the way of entering at once on this new avenue of trade is the restriction which Brazil has placed on the navigation of the Amazon and its tributaries, which is at present forbidden to foreign vessels. It is believed that this obstacle can be easily removed by negotiation with the Brazilian Government; for the reigning Emperor is known to be a man of large national views, earnestly desirous to promote the rapid development of the resources of his Empire, in which work he will receive the ready and sympathizing co-operation of the new liberal Parliament, assembled in January of the present year. The Brazilians themselves are a very enterprising people, and are better disposed than ever before to enlarge their business intercourse with the United States—a feeling strongly confirmed by the recent exasperating conduct of England.

Such an opening of the numerous and noble rivers of South America, hitherto almost useless to the world, would practically bring to our doors the vast wealth of that continent. It would tend also to the rapid elevation of its great States, Peru, Bolivia, Ecuador and Brazil. Should our countrymen become the pioneers in this enterprise, this would give us that advantage over Europe in international influence and importance to which we regard ourselves entitled, and of which, when once fully established, we shall probably never be deprived. It may come to pass that the much-vexed Monroe Doctrine may yet receive its practical solution in *the Montana of the Andes.*

THE COTTON MANUFACTURE OF GREAT BRITAIN.

BY LEONE LEVI, PROFESSOR OF THE PRINCIPLES AND PRACTICE OF COMMERCE IN KING'S COLLEGE, LONDON, ETC.

[Prepared from a Paper read before the Statistical Society of London.]

No district of the United Kingdom exhibits more conspicuously the great phenomena of British industry, or the great secret of British wealth, than that which has become, alas, so prominent for its sufferings and privations. The theme suggested by this great hive of industry, may indeed engage our deepest thought and reflection. There coal and iron supersede turf and corn. which render the aspect of the country as dingy as the entrance of Hades. Illumined factories with more windows than Italian palaces, and smoking chimneys taller than Egyptian obelisks constitute the glories of the district. Everywhere you find monuments of indomitable energy. All you see indicates the march of modern progress. Enter for a moment one of those numerous factories; behold the ranks of thousand operatives all steadily working; behold how every minute of time, every yard of space, every practised eye, every dexterous finger, every inventive mind, is at high-pressure service. There are no lumber attics nor lumber cellars; everything is cut out for its work and the work for it, And what could be more wonderful than those factories for the manufacture of machines. Listen to the deafening din. What power has mind over matter! What metamorphosis can human industry perform; and how much has this mighty agent changed the entire character of Lancashire. See how thickly it is filled with cities and towns. In Northumberland there are 208,000 square miles for each town. In Lancashire only 26,000. And how close the inhabitants. In Westmorland there are 19 square miles for each inhabitant. In Lancashire 0.97 only. One hundred years ago Manchester had only 1,600 inhabitants; now with Salford she has more than 450,000 people.* Three hundred years ago Liverpool was only a fishing hamlet with 138 inhabitants; now she has also 450,000. The entire county of Lancashire, in 1692, was returned for the land tax at a value of £97,000; in 1860 she was assessed to the property tax at a value

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* The increase of population in the county of Lancaster was strikingly demonstrated in the last census for 1861. Except in the two mining counties of Durham and Monmouthshire, where the increase has been even greater, the rate of increase in Lancashire during the last sixty years has been larger than in any other county in England.

Years.	Population.	Percentage increase between the Censuses.
1801	673,486	—
1811	829,499	22
1821	1,052,948	27
1831	1,330,854	27
1841	1,667,054	24
1851	2,031,236	22
1861	2,429,440	20
Total increase in 60 years,.....	....	261

of £11,500,000. Whence this magic increase? Principally from the cotton trade and manufacture.

It is in Manchester, too, that the steam Hercules whose power dwarfs the fabled feats of the Grecian prodigy, first exhibited his youthful strength, grew up in vigor and skill, and still manifests his gigantic maturity. This system of industry is comparatively of modern creation—history throws but little light upon its nature, for it has scarcely begun to recognize its existence; and the philosophy of the schools supplies scarcely any help for estimating its results, because an innovating power of such immense force could never have been anticipated. The steam-engine had no precedent, the tall and ever-smoking chimneys had no parallel in times past, the spinning jenny is without ancestry, and the mule and power-loom entered in no recognised heritage. There they are even in their present temporary prostration—an overflowing stream of opulence and power, a wonder to ourselves, and to the world.

Cotton * is not a new article. All warm climates, within a limited zone, especially those in the vicinity of the sea, produce cotton. From time immemorial cotton has been grown in Hindoostan, China, Persia, Egypt, Candia, and Sicily, and when South America was discovered, the natives were found growing cotton. Yet, as it has been well said, cotton could only become an

Counties.	Rate of Increase in 60 Years.	Counties.	Rate of Increase in 60 Years.	Counties.	Rate of Increase in 60 Years.
Stafford.....	208	Worcester	110	Huntingdon.....	71
Surrey.....	210	Nottingham	109	Somerset.....	68
Middlesex	170	Northumberland...	104	Berkshire.....	60
Warwick.....	172	Lincoln	98	Norfolk.....	59
Cheshire	168	Gloucester.....	94	Suffolk.....	57
West Riding, Yorkshire,.....	164	Cornwall.....	92	Oxford	52
		Cumberland	99	Buckingham.....	55
City of York.....	140	Leicester	83	North Riding, York	54
Kent	138	Essex.....	78		
Sussex.....	128	Hertford	78	Westmorland	49
Southampton	120	Cumberland	75	Salop.....	42
East Riding, York ..	116	Devonshire.....	72	Hereford.....	40
Bedford	113	Northampton	73	Rutland.....	34
Derby	110	Dorset.....	65	Wilts..... ...	36

* The vegetable which we now call cotton passed under different names in different times and countries. The term Carbasus, Carbasum, or Καρπασον, was used by ancient authors to signify cotton. It is so used in the Scripture. The word carpas in Esther i., 6, though translated in the common version for "green," means really cotton. In the Vulgate translation, we have "et carbasini ac hyacinthini." In Revelations xviii, 12, the word Βυσσος, mentioned as one of the wares of Babylon, may mean cotton. But after the fourth century, cotton was known by various names which had not been before in use. Probably gossypium was one of these; another name was Lana Xylena, meaning literally tree wool, the plants which produced it being called wool trees. Another set of names probably arose from a misapplication of the name of the silk-worm. These were bambacinus, made of cotton; bambacenium, cotton cloth; bambacarius, a dealer in cotton cloth; and in Italian, bambagino, and bambasino. For further researches on the introduction of cotton, see "Textrinum Antiquorum, an Account of the Art of Weaving among the Ancients," by James Yates, F. R. S.

article of trade to those nations which were able, by their industries, to manufacture it into beautiful and durable material, at moderate prices. The manufacture of vegetable substances, combining flexibility and strength, must be of very early date, and to the inhabitants of the temperate and tropic zones especially, the great weight and toughness of skins, must have made patent the advantage of any material which could be made of the necessary strength, and at the same time light and flexible. In ancient times India furnished Europe with her muslins, so called from Mosul, in Mesopotamia. The Assyrian merchants brought such cotton manufactures into Europe, together with their silks from China, their carpets from Persia, and their spices from the East. Herodotus, writing in the year 445 before the Christian era, said of the Indi, "the wild trees bear fleeces for their fruit, surpassing those of the sheep in beauty and excellence, and the natives clothe themselves in cloths made therefrom." From India the manufacture reached Persia, thence it was imported into Egypt, and the eight century saw its introduction into Europe.

In England for a long time the consumption of cotton was confined to small quantities, principally for candlewicks, and nearly the whole of the cotton fabrics consumed was imported from the Continent. Though as far back as 1328 the Flemings settling in Manchester laid the basis of the British wool manufacture, in the manufacture of what were called Manchester cottons, it was not till the middle of the seventeenth century that cotton-woollens, fustians, dimities, and other articles were exported to the Continent. But as late as the accession of George III., no fabric consisting entirely of cotton was made, and it was only by the operation of those wonderful inventions which suddenly performed so great a revolution, that cotton acquired the present prominent position as an article of trade in this country. What these inventions were every one well knows: yet there is great interest in recalling those feats of genius which now and then ennoble our common humanity.

Spinning by the spindle and distaff is a very old industry, and in times not far distant, was considered one of the accomplishments of a good wife. "She layeth her hands to the spindle, and her hands hold the distaff," is the saying of the Book of Proverbs. Minerva, as the instructress of man in the useful arts, is fabled as the author of a distaff and spindle; hence, as Apollodorus informs us the Palladium held in its right hand a spear, and a distaff and spindle in the left. It was the custom among the Romans to carry before the bride a distaff charged with flax, and a spindle likewise furnished. In Greece, when the bride was introduced to her new home, she brought with her a distaff and spindle, and hung her husband's door with woollen yarn; and in England spinning on the distaff continued long to be the honored occupation of women.* In process of time the distaff was laid aside for the spinning wheel invented by Jurgen, a citizen of Brunswick, in 1530, though some say that it was known long before him. But though by the spinning wheel there were formed the thick loose cord called a roving, and the fine thread or yarn, this invention was not attended

* See an able paper on the Distaff and the Spindle, or the Insignia of the Female Sex in Former Times, by John Yonge Akerman, F. S. A., "Archeologia, or Miscellaneous Tracts relating to Antiquity," published by the Society of Antiquaries, vol. xxxvii., p. 83.

with great results, because the spinner could only produce one thread at a time, and a man employed eight hours a-day could only spin three-quarters of a pound of yarn. The first substantial improvement was therefore a machine for spinning by rollers, which forms the basis of all the spinning machinery in our factories at the present time, invented by Wyatt, but for which a patent was taken by Lewis Paul, a foreigner; but even that led to no immediate results, as it was scarcely understood at the time. Then came the invention of the fly shuttle and the picking peg, which enabled one man, unaided, to weave double the quantity he had theretofore done; and in 1753 Mr. Lawrence Earnshaw invented a spinning machine and cotton reel, but which he himself destroyed, on the plea that it would be the ruin of the working-classes. Although these and other minor improvements were for the time barren of results, and were far from proving lucrative to the inventors themselves, they prepared the mind of the people for further changes, and suggested those ideas which eventually ended in totally superseding manual labor in the cotton industry.

Ten years after this a reed maker of Leigh, a certain Thomas Wright, found out the principle of the spinning jenny, or a machine by which the spinner was enabled to produce several threads in one operation, and in the following year, in 1764, James Hargreaves gave reality to such a machine, and patented it. For this, however, he was attacked by a mob of the working people, who broke into his house and destroyed the jenny. Great as was the improvement introduced by the spinning jenny, it still left the process of spinning in a very unsatisfactory state, the cotton not being sufficiently even, firm, or strong for use, as the warp or longitudinal thread of a web. To supply this want, linen yarn was used for the warp, but the mixture of two different materials made the article too costly, and, moreover, unfit for calico printing. Such was the condition of the cotton manufacture in England when Arkwright invented the water frame, How far he may have profited of the earlier invention of Lewis Paul, of elongating cotton by rollers in the spinning operation, we know not; but what if he did? The law of continuity, or rather of gradual progress, says Lord Brougham, governs all human approaches towards perfection. The limited nature of man's faculties precludes the possibility of his ever reaching at once the utmost excellence of which they are capable. Survey the whole circle of the sciences, and trace the history of our progress in each, you will find this to be the universal rule. Think not that Black and Priestly, Bacon and Adam, Smith, Cuvier, and Watt were respectively the unaided discoverers of the theory of latent heat, and of aeriform fluids, of the inductive system, of economic science, of fossil osteology, and of the power of steam. Even Newton, though far in advance of all others in mathematical and in experimental science, was preceded by Cavalleri, Roberval, Fermat, and Schooten, who came as near as possible to the discovery of the differential calculus. Very romantic is the story of Sir Richard Arkwright. Fancy a barber, famous only for his processes for dyeing hair, becoming the founder of the great cotton manufacture. Even after the fruitful idea entered his mind, he could not appear at an election in Preston for want of a suit of clothing. Arkwright's water frame, while drawing out the carding or rolling, gave to it the twist and pressure necesary to produce the hardness and firmness which fitted it so admirably to the purposes of the warp; and it was at the same time capable of producing, in equal vast quantities, yarns

of finer quality. The effect of these inventions was, as already noticed, a total revolution in the character and operation of the spinners. Thenceforth spinning ceased to be a domestic manufacture, and became the product of mechanical ingenuity, and with it rose also the wonderful factory system, which, with its attendant advantages, economy of power, division of labor, and concentration of skill and superintendence, contributed so much to the extension of the cotton manufacture and the accumulation of wealth. Other inventions followed each other afterwards with great rapidity. To Crompton of Bolton, we owe the mule jenny, which, by uniting the rollers of the water frame with the advancing and receding carriage of the jenny, effected the attenuation and spinning of cotton to a degree of fineness that neither of the other two machines could approach. To Cartwright we owe the power-loom, a machine for weaving by automatic power; and to Peel we owe the introduction of calico printing. But we should ill appreciate the value of these and other kindred inventions, if we did not take them in connection with Watt's great discoveries of the use and application of steam power, and with the improvements made in inland navigation by the opening of the Bridgewater canal.

And to what use would have been this great development of the cotton manufacture, had not a corresponding increase taken place in the production of cotton wool? Hitherto the importation of cotton to this country had been very limited. In 1764 we imported scarcely 4,000,000 lbs., and even in 1785, after Arkwright's patent had expired, we imported only 18,000,000 lbs. of cotton. By this time, however, the seed had been transported to the United States, and very soon after a complete change took place in the capability of that country ior producing cotton, by the invention of Mr. Whitney's machine to separate cotton from the seed. This machine did for the planters of the American States what the genius of Arkwright and Watt did for the cotton manufacture in England; and it is to this machine that we owe the gigantic expansion of the cotton trade. Previous to 1790 the United States did not export a single pound of cotton. Whitney's invention came into operation in 1793, and in 1794 1,600,000 lbs. were suddenly exported. In 1791 America grew only $\frac{1}{11}$th of the produce offered in the markets of the whole world; in 1845, more than seven-eights of the cotton produced in the world was in the United States of America; and in 1861 they gave upwards of one thousand millions of pounds. And as the production increased, so the consumption increased immensely. Little by little has this interest acquired gigantic proportions. Farther and farther has the use of cotton been extended, and by degrees it has nearly distanced all other branches of British industry.

Of 6,300 factories in the United Kingdom, nearly the half of them are for cotton. Of 36,500,000 spindles, 30,000,000 are for cotton. Of 490,000 power-looms, 399,000 are of cotton. Of 779,000 persons employed in factories, 450,000 are employed in cotton. And as compared with foreign countries, whilst we have 30,000,000 spindles, France has 4,000,000 spindles, Russia 2,000,000, Germany 2,000,000, Austria 1,500,000, Switzerland 1,300,000, Italy 500,000, Belgium 500,000, and Spain 300,000. The proportion of the cotton trade to the general trade of this country is very large. Of £377,000,000, which constitutes the value of the total trade of the United Kingdom, £94,000,000, or 25 per cent, is the value of the imports and exports of cotton.

RELATION OF THE VALUE OF COTTON MANUFACTURE AND YARN EXPORTED, TO THE TOTAL EXPORTS OF BRITISH AND IRISH PRODUCE.

Years.	Value of Cotton Manufactures and Yarns Exported.	Total Value.	Percentage.
1820–24	£19,922,000	£36,782,000	46
1825–29	16,974,000	36,050,000	47
1830–34	18,417,000	38,641,000	47
1835–39	23,211,000	45,250,000	51
1840–44	23,806,000	52,176,000	45
1845–49	24,902,000	58,637,000	42
1850–54	30,485,000	84,002,000	35
1855–59	40,658,000	116,120,000	41
1860	52,012,000	135,891,000	38
1861	46,837,000	125,115,000	37

RELATION OF THE VALUE OF RAW COTTON TO THE TOTAL VALUE OF FOREIGN AND COLONIAL MERCHANDIZE EXPORTED.

Years.	Value of Raw Cotton.	Total Value.	Percentage.
1854	£2,302,000	£18,636,000	12
1855	2,475,000	21,003,000	11
1856	3,346,000	23,393,000	14
1857	3,431,000	24,108,000	14
1858	3,955,000	23,174,000	17
1859	4,218,000	28,281,000	14
1860	5,388,000	28,630,000	19
1861	8,578,000	35,694,000	24

And of £217,000,000, the total value of our imports, £39,000,000 was the value of cotton.

RELATION OF THE VALUE OF RAW COTTON IMPORTED TO THE TOTAL IMPORTS INTO THE UNITED KINGDOM.

Years.	Value of Cotton (Raw) Imported.	Value of Total Imports.	Percentage.
1854	£20,175,000	£152,389,000	13
1855	20,849,000	143,543,000	14
1856	26,448,000	172,544,000	15
1857	29,289,000	187,844,000	15
1858	30,107,000	164,584,000	18
1859	34,560,000	179,182,000	18
1860	35,757,000	210,531,000	17
1861	38,653,000	217,352,000	18
Total imports,....	£38,653,000	£217,352,000	..
" exports, ...	55,415,000	160,809,000	..
	£94,068,000	£378,161,000	40

And who can tell the amount of the cotton manufacturé consumed in this country. It probably amounts to £30,000,000 and more. Calculating the quantity imported reduced by the percentage of waste in the conversion into yarn; and then at so many yards of manufactured goods per pound,

with proper deduction for the export of yarn and manufacture, the consumption of cotton in this country may be set down 7½ lbs. per head. In France the consumption is probably 4 lbs. per head. In Germany and Austria 3 lbs. In Italy 2 lbs., and in Russia 1 lb.

But large as is the consumption of cotton in this country, we cannot say that it has displaced materially the consumption of wool, linen, or silk. If we import 1,200,000,000 lbs. of cotton, we also import 147,000,000 lbs. of wool, besides the large quantity produced in this country; 224,000,000 lbs. of flax and hemp; and 10,000,000 lbs. of silk. In describing the extent of our trade in cotton, I have not indicated the numerous trades ministering directly or indirectly to the prosecution of this branch of industry. The capital invested in this manufacture has been variously estimated, and may be set down at at least £100,000,000,* whilst the shipping required to carry the large quantity of cotton from the Atlantic and Eastern ports is not less than 1,000,000 tons.

The cotton manufacture has some specific localities in this country; chiefly in England; but partly in Scotland. Ireland has just a sprinkling of it. In England, Lancashire is the chief place, next Cheshire, and then Yorkshire and Derbyshire, with a little in Cumberland, Notts, Stafford, Gloucester, and Leicester. In Scotland, Lanarkshire is the chief place, and there is a little in Renfrewshire, Perth, Ayr, &c. Of 450,000 persons employed in this manufacture, 407,000 were in England and Wales, 40,000 in Scotland, and 3,000 in Ireland. The great cotton towns distinguished for their smoke, dirt, bustle, excitement, and dense population, are Manchester, Wigan, Bury, Bolton, Blackburn, Preston, Leigh, Oldham, Ashton-Staleybridge, Hyde, and Stockport. The following are the statistics of factories for textile fabrics, extracted from a return laid before Parliament in 1861:—

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* It is difficult to estimate the capital embarked in the cotton manufacture. In an article on the difficulties and dangers of the cotton trade, by Mr. Bazley, M.P., it is stated that the fixed investment, including land and water rights, may amount to £60,000,000, and that to work all these concerns and their ramifications, £20,000,000 more are needed, making in all £80,000,000. Besides this, he valued the mercantile and consumers' stock, in home and foreign markets, of cotton and auxiliary materials, and bankers' capital devoted to the manufacture, at £120,000,000, making the whole gross capital employed in it £200,000,000. This is certainly a large estimate. In the article in the "Encyclopædia Britannica," supposed to be by Mr. Bazley himself, the capital invested in this manufacture was estimated at £54,000,000. Mr. Redgrave, the factory inspector, in his paper on the Textile Fabrics, presented to the International Statistical Congress, computed the cost of building, steam-engines, machinery, &c., at £21,000,000, raw materials £8,000,000, wages £4,000,000, grease, oil, leather, £1,000,000, making in all £34,000,000; and if we take Mr. Ellison's estimate as given in Mr. Mann's work, of 23s. to 24s. per spindle, and £24 per loom, we shall have for 30,887,000 spindles and 399,992 power-looms, £45,000,000. Estimated floating capital and cash in the hands of bankers, £25,000,000; probable capital employed by manufacturers in subsequent processes of bleaching, dyeing, printing, £30,000,000; floating capital of importers of raw materials, shipowners, &c., £9,500,000; total, £110,000,000.

STATISTICS OF FACTORIES FOR TEXTILE FABRICS.

	Number of Factories.	Number of Spindles.	Number of Power-looms.	Number of Operatives.
ENGLAND—				
Lancaster	1,979	21,530,532	306,423	315,627
York	369	2,414,898	17,393	27,810
Chester	212	3,373,113	32,926	40,860
Derby	79	682,008	7,581	12,965
Cumberland	15	136,212	1,761	3,281
Middlesex	10	5,834	—	323
Stafford	8	81,116	694	1,982
Leicester	3	4,408	14	219
Nottingham	26	36,000	—	2,183
Flint	1	21,800	—	190
Suffolk	1	—	32	52
Warwick	7	—	186	445
Surrey	2	—	—	53
Gloucester	1	66,004	1,115	1,514
Norfolk	2	—	—	94
	2,715	28,351,925	368,125	407,598
SCOTLAND—				
Aberdeen	2	66,276	70	776
Bute	4	52,148	977	976
Dumbarton	4	75,296	246	758
Dumfries	1	16,308	—	119
Lanark	83	1,138,602	24,149	27,065
Linlithgow	1	19,800	—	121
Perth	3	57,796	552	1,069
Renfrew	32	408,742	2,968	8,749
Stirling	5	50,190	180	528
Ayr	3	30,240	968	1,089
	138	1,915,398	30,110	41,237
IRELAND—				
Antrim	3	72,884	200	639
Dublin	2	11,668	391	492
Londonderry	1	—	60	77
Tyrone	1	—	36	18
Waterford	1	30,292	940	1,412
Wexford	1	5,100	130	96
	9	119,944	1,757	2,734
Cotton Factories United Kingdom	2,887	30,387,267	399,992	451,569
Woollen Factories—				
Woollen	1,679	2,182,609	21,770	86,988
Worsted	532	1,289,172	43,048	86,063

	Number of Factories.	Number of Spindles.	Number of Power-looms.	Number of Operatives.
Flax	399	1,216,674	14,792	87,429
Hemp	5	2,580	1	607
Jute	36	32,982	554	5,967
Hosiery	69	—	—	4,487
Silk	771	1,338,544	10,709	52,429
	6,378	36,449,828	490,866	779,534

There is one important feature in the cotton industry which invests it with something more than simple commercial considerations, it is that cotton has greatly contributed to the spread of comfort and civilization among the masses of the people. Hitherto it has been the cheapest material for clothing ever produced. Even where the masses are yet sunk in the most abject condition, and in places not yet brightened by the light of civilization and Christianity, wherever, in fact, a cover is needed to shelter man, whether in frozen regions or in tropical climates, a cotton dress and a fustian jacket will ever find a hearty welcome. In a paper read by Mr. Ashworth before the Society of Arts, he compared cotton with wool and flax. One pound of wool for flannel cost 18d. per lb.; when manufactured into cloth it costs 3s. 1d. per lb.; 1 lb. of flax for shirting costs 10d. per lb., when manufactured it costs 2s. 4d.; but 1 lb. of cotton for shirting, which used to cost 6d. per lb., when manufactured costs only 1s. per lb. The materials for a full dress of outer garments, if composed of wool, would cost not less than 30s., whilst the same quantity of material of cotton, and of more durable quality, cost only 7s. 6d. to 10s. The labourer's wife was able to purchase from a draper a neat and good cotton print at 5d. per yard, and allowing seven yards to the dress, the material required only 2s. 11d. How much more is the cost of a woollen dress even of the lowest quality. This source of economy, which entirely depends now upon the cost of the materials, makes the question of cotton supply a consumer's question—a question in which all are interested.

And how extensive is our commerce in this article. It is an extraordinary fact that we are importing nearly 600,000 tons of cotton from a distance of four thousand miles, and even 13,000 miles; and after redistributing about 78,000 tons of it in an unmanufactured state, we convert the remainder into yarn and woven manufacture of all kinds at three times the original cost of the raw material when landed on our shores. Whilst the value of the raw cotton imported in usual years amounts to about £36,000,000 to £38,000,000, the value of the cotton manufactures exported, besides the entire quantity consumed in this country amounts to as much as £47,000,000 to £50,000,000. Our exports of cotton manufactures and yarns are enormous. We are sending abroad yearly some thousand millions of yards of calico printed and dyed; and we could not in our space give the quantities of other articles. With the general adoption of better principles of commercial policy, most nations have been reducing sensibly their duties on cotton manufactures and yarn. Even France, hitherto closed to British goods, has now been opened, and bids fair to become a most extensive field for commercial intercourse. How auspicious was it to have thus opened a new outlet for our industries just before the stream of prosperity ceased to flow towards the United States.

Some surprise, or rather fear, has been expressed in influential quarters

on seeing Russian and Swiss cotton yarn sold in the British market. Most likely it was sent to this country to take advantage of the high prices. Certainly the time has not come yet when these countries can produce more than they can consume themselves, or produce cotton yarn cheaper than British manufacturers. But can it be that a formidable competition is likely to be met with in future in this, we may say, the most indigenous of English manufactures? Nothing, certainly, hinders foreign manufacturers, with wealth at their command, from importing this exotic vegetable as we do; or India from consuming the article of her own growth; and manufacturing it to the highest perfection. Nor are they hindered from importing the best machinery ever invented, the most skilful engineers, the most skilled workmen. All is now free. This is no longer the age of mystery. No longer the age of artificial protection to national industry. And yet we anticipate that English manufacturers will always be able to face such competition, and permanently maintain the supremacy they have hitherto enjoyed. And why? It is because we must attach the greatest importance to our national character, to the strenuous energies of our manufacturers to overcome difficulties wherever they may present themselves, and, above all, to the moral worth and physical aptitude of our people to work hard and long. Whilst the present pre-eminence of Britain in wealth, with her command of the markets of the world, and her riches in coal and iron, which no nation can rob her of, and no free trade can communicate to others, will ever keep her at the head of the manufacturing countries of the world.

[Are not the latter portions of this article particularly suggestive to us as a nation? We are raising the raw materials in abundance. Cotton, wool, flax, in immense quantities, are at our very doors. The food to feed an army of operatives we also have; while the earth itself, almost, we might say, through the entire length and breadth of this favored land, holds inexhaustible treasures of coal and iron. What more do we need to make this country the centre of manufactures, if not for the world, certainly for this half of it. We can conceive of but one obstacle in our way—an indisposition on the part of Government and people to improve our communications with other countries, and thus open up new markets for our productions and manufactures. Great Britain has, by means of the steamship lines already established, obtained control of the markets of the world. This is what has enabled her, and still enables her, to defy competition. Professor Levi tells us that he thinks English manufacturers will always be able to maintain the supremacy they have hitherto enjoyed because, among other things, of the physical aptitude of Englishmen to work hard and long. All the world will willingly bear testimony to the Englishman's energy and perseverance; but yet we think it will be as readily admitted that the American cousins have in no degree lost either of these characteristics, but have rather added to them unusual quickness and ingenuity. Only give us, therefore, steamship lines communicating with the countries of the world, and we believe the next quarter of a century will see a development in this country, in the direction of manufactures, unequalled in the history of the world.—Ed. Hunt's Merchants' Magazine.]

STEAM ON THE PACIFIC OCEAN.

TRADE BETWEEN CHINA AND JAPAN.

H. B. A.

(Continued from page 175.)

The harbor in China, to which a line of steamers would be directed from California, would soon be settled by the inducements offered in freights and central position. Hong Kong, Shanghai, and Chusan Island are the three which are the most obvious; all good harbors, and all possessing separate claims to the trade.

Hong Kong is the centre of British influence, a free port—the European center, as Shanghai is the Chinese center. Canton, which is commanded by Hong Kong, is fast dwindling in importance, and her tea trade is distributed between Foo Chow for the black teas, and Shanghai for the green. She retains the kind known as "Canton-made teas," and the trade in sweetmeats and knick-knacks so widely known abroad. Rice is another great staple, although more likely to be a ship, than a steamer, cargo. Hong Kong is also the center of the Chinese emigration; the people of the northern provinces not being so ready to leave home as the Cantonese and it is to Hong Kong that the Californian flour and specie must find their way. Moreover, the Chinese merchants in California, who are large freighters of every vessel, are generally Canton men, and their connections are naturally with that port. All these things tell powerfully in favor of Hong Hong.

The city of Shanghai, on the other hand, is the great emporium of the silk trade, the tea trade, and the cotton trade. Since the opening of the Yang-tze, the change in the direction of trade with China would be almost incredible, did we not know that it was a necessary result of the close of a policy which, by limiting intercourse to one city in the south, turned the whole course of trade many hundred miles out of its natural channels. The trade which centers in Shanghai is enormous, and it must increase with every year as the steamboats of the foreigners penetrate into the interior. We are just beginning to realize that *China is open*, and that the volume of trade resulting is not to be measured by the past. Shanghai, within five years, has become a noble city, almost European in its proportions, and commanding a trade with many millions of people in the interior of China a "back country" such as on sea-board city in the world can boast. Its position, in regard to the silk districts, makes it an important terminus for any line of steamers which could connect with the Panama route so as to lay the goods down in New York in sixty or seventy days, ensuring to such a line the entire silk freights to America at high rates. A ton of silk goods is worth from $10,000 to $15,000, and the saving in interest alone, to say nothing of insurance, would pay a heavy freight. At present a large proportion of the silk going to England, goes forward by the Peninsular and Oriental Line at the rate of £22 10s. per ton of 40 cubic feet, from Hong Kong to Southampton, with an additional charge for the eight hundred miles between Shanghai and Hong Kong. The delays of frequent transhipment and a heavy freight are borne rather than risk the delays and loss of interest of a voyage around the Cape. Notwithstanding these enormous freights

and their numerous steamers, the Peninsula and Oriental Company are unable to take all the goods offering, and written applications are made by the merchants some time in advance, on which proportional allotments are made by the agent, as the steamers are ready to load. This great steamship monopoly has become rich by its trade with the East, although requiring an immense capital and outlay. Its fifty pounds shares, on which thirty pounds only have been paid, stand at twenty per cent premium in the London Market. The freight and passage rates obtained by it are out of all proportion to the work done, and there is pressing call for greater accommodations and lower rates. Within a year the Messageries Imperiales de France, backed by the Imperial Government and a heavy capital to boot, with a large steam-fleet to which they are making yearly accessions has entered into a strenuous competition with the Peninsular and Oriental Company for a share of the traffic, but this has had no effect in reducing rates. Both Companies are likely to amass money without practically interfering with each other. There is ample room for others.

Shanghai, besides being the depot of the silk districts is the centre of the great trade of the Yang-tze, and through it will be distributed the bulk of the imports of China. It has communication with Hankow by steamers of fifteen hundred tons burthen, and for trade with the richest and most populous provinces of China its facilities are unsurpassed. It also draws considerable trade from Japan.

Chusan has been proposed as a fitting terminus for a line of steamers, on account of its central position, the fine harbor of Tinghae, and the theory which is very attractive to men who locate steamship lines by looking at the map, that its central position would command the trade of the China coast. They forget that a centre of trade is not merely a geographical centre, but one which possesses the greatest facilities of communication. New York would never be what she is but for her canal and railroads. Such theorists forget, also, that Europeans are not the only merchants in the Chinese Empire, and cannot dictate where business shall be done, for nature and chance have chosen certain spots for cities, and where the Chinese merchants are, the Europeans must arrange to meet them. Shanghai, from time immemorial, has been a great commercial depot of northern China, as Hankow is of central, and the island of Chusan has not. No doubt Tinghae has a very good harbor, although somewhat difficult for strangers from the perplexing labyrinth of islands, and Chusan island is a very pleasant and salubrious place for Europeans; if trade really centered there it would be an admirably central position. But trade tends to Shanghai as its centre, and the foreign merchants act accordingly.

A few years ago the citizens of Benicia thought, that, because, it was more accessible to the interior of California than San Francisco, it could be made the great commercial seaport of the State, while San Francisco would be what Gravesend is to London; whereas that former capital and present village is now a quiet workshop for the Pacific Mail Steamship Company, and a mooring place for their reserve steamers not wanted in the San Francisco trade.

The people of Chusan have greater comparative claims over Shanghai as far as geographical position is concerned, but the fact is that Shanghai, like San Francisco, has passed the doubtful age, when it was not quite

certain whether the great promise of the growing city would be fulfilled. This is seen in both instances by the price of real estate.

In regard to the pest of piracy which is the plague of the harbors of China, even Hong Kong, under the eye of Government, is not exempt. Chusan is one of the great cruising-grounds of the Ningpo pirates, as great scamps as there are in the world. The small islands give them shelter, and make it extremely difficult to abate the nuisance. Any disabled vessel would be sure to be captured. Only a few months ago they seized the house-boat of Dents & Co's branch at Ningpo, a foreign built boat of eighty tons, laden with opium and specie, and beat off a gun-boat sent to recover it. The Woosing river is tolerably free from pirates—thanks to the number of vessels passing up to Shanghai—but here, as in the other ports, it is bad enough, so that there is not much choice, as far as that is concerned. The only safety is in arms, and that is perfect, for a China pirate never attacks a boat stronger than his own, and rarely a foreign steamer.

And now having discussed the route, the ship and her ports, supposing that she sails from San Francisco via Honolulu, to Shanghai, and returns by way of Yokuhama, let us see whether a fair freight and passage list could be expected.

It is difficult to say in advance what class or amount of freight would offer at first. Silk goods might be relied on, but the quantity in the beginning would not be large. Fine teas to a certain amount would be sure to offer, and if it could be made clear that the first of the new crop could be landed in New York before the clippers could take it, at least one full cargo would be certain. The steamer "Bahama"—an auxiliary screw—obtained twelve pounds per ton from Foo-Chow to London, in May, in consideration of the chance of a few weeks earlier delivery, while ordinary freights were only four pounds, or thereabouts. She made the voyage in eighty days. A few months experience would show what amount and kind of freight would be obtained in China and Japan, and whatever it might be, the offerings would be very certain to increase with every voyage. It has been found by the experience of the screw line between Liverpool and New York, that with regularity, heavy freights which no one dreamed of sending by steamer before, have been readily obtained when least expected, and the same thing is much more likely to occur in the Pacific trade. Returning from San Francisco the clippers would compete seriously with the steamers, but there is one freight always certain, bar silver and Mexican dollars. The great increase in the silver production of Washoe, and the further increase likely to follow the stimulus silver mining operations have received by the fever of speculation last year, will soon open a very important trade. Silver as naturally seeks China as water does its level, and it sometimes runs a roundabout and expensive course to get there—from California to London and from London to Hong Kong. It was beginning to go to China in considerable amounts by clippers early last year, and must steadily increase.* The

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* The Exports to China for the first six months of 1863 were.....$1,603,059 53
To Manila..... 66,200
Japan..... 8,186 19

Total..... ...$1,677,445 72
The produce of the mines averaged one million per month.

silver mines of California are important realities, notwithstanding the misty stories about them which have arisen from speculation run mad, and many sober men think that they will yet prove as valuable as her gold mines, from their greater extent. The best proof of their richness is their steady and large yield.

The probability of a large passenger list is much more encouraging. Once established, the line would draw passengers from England itself, and all the American custom. Some Americans bound from New York to China, give the preference to the Pacific route already, although it causes them a delay of a month or more. No one who has not travelled by the so-called overland route, via Suez, knows the inconveniencies, annoyances and discomforts which must be borne. The Peninsular and Oriental Steamship Company is a prodigious monopoly, of the school of the Honolulu East India Company, and the old Hudson's Bay Company, both happily extinct, and like all monopolies, is regardless of the comfort of passengers. Transfersare made from port to port, attended with all the annoyances bad management can devise; the vessels are some of them old and dirty, and on a long journey one is sure to get at least one of these uncomfortable tubs. The heat on the Red Sea, the Indian ocean, Straits of Malacca, and southern part of the China Sea is intense, and the chances of storms exceed those of any other route to China. Some travelers have the opportunity of comparing the relative forces of a levanter in the Mediterranean, a cyclone in the Indian ocean, and a typlioon in the China Sea, all very ugly customers. No less than five transfers are made on the journey from Southampton, and sometimes a steamer fails to connect at Galle, or breaks down at Penang, and the unlucky traveler must go ashore and shift for himself with the thermometer at ninety degrees for a fortnight perhaps, the Company serenely taking its own time to repair damages. The time from New York to Shanghai by this route is about sixty days, the expense about one hundred and ninety pounds sterling—say five dollars to the pound—nine hundred and fifty dollars.

By the Panama route, and steam from San Francisco to Shanghai in thirty-five days, the time would be fifty-nine days, allowing three days in San Francisco, and the expense could not possibly be as great as by the other route. The average charge of the Pacific Mail Company for first class tickets from New York to San Francisco is about two hundred dollars, the competition of the Nicaragua route frequently reducing it considerably, and sailing vessels from San Francisco to China charge from one hundred to two hundred dollars, an extreme rate. Allowing three hundred for a first-class passenger ticket from San Francisco to Shanghai, which ought to remunerate any steamship Company, the total cost of the journey would only be about five hundred dollars against nine hundred and fifty by the Suez route, an ample margin for greater rates of fare if the company in the Pacific should find it necessary to charge more. They could safely do so if they looked only to the American travel, for the comforts of such a route over the Peninsular and Oriental line would be immense. In the first place it would not cross the equator, or linger long in the tropics. To be sure the Peninsular and Oriental Company does not do so either, but at Singapore they are within eighty miles of it, and for a long, long distance they are in the heart of the torrid zone—Only once does the Atlantic and Pacific line come within the equatorial belt of rains, and that is at Panama, but a week's journey takes us through

it all, and as far as crossing the Isthmus, that bugbear of old times, is concerned, three hours and a half are sufficient for the transit, and as it is made in a comfortable railway car, it is not at all disagreeable even in the rainy season. By a timely use of the telegraph, the transit is managed with a despatch and quiet order that would seem incredible to any one who has not made it. The road is equal to any in the United States for substantial work, the appointments are excellent; the best English railways are scarcely better. The only fault which travelers have to find with the line is in the management of the Vanderbilt steamers, which are often over-crowded till they are like cattle-pens. Vanderbilt is as greedy a monopolist as the managers of the Peninsular and Oriental line, but competition is making matters more decent. The Pacific mail steamers and their management are all that could be desired.

Excepting for the short time which is necessary to pass through the belt of equatorial rains and clouds, hanging for certain seasons of the year over the neighborhood of the Isthmus of Darien, the traveler is in the pleasant and equable temperature of the trade-wind zone, where the thermometer ranges from seventy-two to seventy-five degrees. A gentle breeze is always blowing, often a fresh one, and the whole voyage from New York to Shanghai is to as great a degree invigorating to a person in delicate health, as that by way of the Red Sea is debilitating. The writer once traveled by the former route in early summer without taking in anything between San Francisco and China but the studding sails and royals, and those only once—more from precaution than necessity.

But it was remarked that a steam line between California and China might draw passengers even from England itself, allowing fifty days from London to Shanghai by the Peninsular and Oriental Company, at an expense of one hundred and sixty pounds sterling; let us see how the Pacific route could compete. To do so at all, it would be necessary that connections should be made with some degree of regularity between the Cunard steamers, the Pacific mail and our proposed line. Allowing twelve days for the first of these, twenty-one days for the second, and thirty-five for the third, the trip could be made in sixty-eight days, and if the regular rates of fare are twenty-six pounds for the first, forty pounds for the second, and sixty pounds for the third, there is still a margin of thirty-four pounds to compensate for the loss of time. Returning, the journey might be made in sixty-two days. When the greater comforts of the route are considered, the longer time required would not be so serious an objection as it appears at first sight. Both the time and the expense would be reduced by taking the West India to Aspinwall direct, there connecting with San Francisco, but the passage among the West India Islands at certain seasons of the year would be open to the same objection as the Eastern route, and we are bound to say that thus far, at least, these packets have manifested a sublime indifference to the movements of the Pacific Mail Company's steamers, generally managing that their passengers spend a week at Panama.

Englishmen under these circumstances might prefer their own steamers when going out to China, but on their return numbers would take the Pacific route in preference. Many of those returning possess money and leisure, and if they have never been to America would prefer passing through the United States, if they could make the journey with despatch and a reasonable degree of comfort. A few do so now in the favorable

season when the clipper barks run across to San Francisco in forty-five days from Shanghai. Some return with impaired health, and no physician will recommend the overland journey to such. Better four months at sea than one under the equator.

It only needs steam on the Pacific to divert a large share of the homeward travel from China. By the Peninsular and Oriental line the rate of passage from Shanghai to Southampton is seven hundred and twenty-seven Mexican dollars, equal to eight hundred dollars in American gold, while if a reserved cabin is required the cost is upwards of thirteen hundred Mexican dollars. All the comfort, and more, could be had by a Pacific route for half that amount.

The exhorbitant charges of the Peninsular and Oriental Company, applied to their branch line from Point de Galle to Australia, have taken from them the great bulk of the Australian business, there being a powerful competition from sailing ships, with steam as an auxiliary, such as the "Auxiliary Screw Steamship Great Britain." This vessel without enjoying any government subsidy, and without making a gain of more than 20 days in her return passages over the regular clippers, and often not making that, is able to run with profit at rates at which the Peninsular and Oriental Company either cannot or will not compete. In one of her trips from Sydney to Liverpool, around Cape Horn, she ran the distance in sixty-five days, carrying no less than three hundred and twenty-five passengers (first second, and third class), passage-money ranging from fifteen to seventy pounds ahead per adult. The number of passengers carried by the Peninsular and Oriental line from Australia varies from ten to twenty, sometimes less than ten, the passage-money being one hundred and twenty pounds, and the time about fifty-eight days. The line, however, is supported by a handsome government-subsidy in consideration of its carrying the mail.

It is worthy of remark that some of the Colonial papers are even discussing the feasability of the Panama route for speedy and certain communication with the mother country, and some years ago one or two trips were made to test the matter, but the distance and difficulty of procuring coal made the expense too enormous to be warranted by any business which such a line could obtain. It was proposed to make Tahiti a halfway station, with boats of different grades to run the different parts of the route, the one through the tropics, the other through the rough west-winds. This scheme was quite impracticable, for a return-boat would be obliged to steam within a few degrees of the equator, or else against the south-east trades for nearly five thousand miles, and when a vessel relies so much on its machinery the bill for coal in the South Pacific is something frightful, and would ruin any company, no matter how large their subsidy. It might bring England within forty days of her Australian colony of New Zealand, they tell us, but it will be many years before the scheme can be made practicable.*

* The entire correspondence between the Lord Commissioners of the Treasury and the Agents of the Colonies of New Zealand and New South Wales was published by the House of Commons on the 4th of September, 1863, throwing much light upon the question of a postal route via Panama.

It appeared that the Legislature of New Zealand and New South Wales had voted subsidies, the one £30,000 for five years, the other £50,000 for ten years, in all

No parallel can be justly drawn between this wild scheme and that of connecting China and California, but the fact that it has been suggested, shows the enterprise of the colonists, and of the steamship owners at home, as well as the reliance of both on the known liberality of the British Government, in promoting by subsidies any reasonable plan for facilitating her communication with her colonies in the East. If she considered her China trade in danger of being diverted, by speedier and cheaper routes than those she now commands, a line of steamers from Hong Kong to Panama, supported by a handsome subsidy, would be likely to follow, and it has been proposed by men interested in the China trade. Such a line following the route which has been marked out for the westward trip, with the advantage that three days steaming from Panama would place her in the trades, and not going north at all on the eastward voyage, but keeping on the southern edge of the north-east trades, where a belt of easterly current is found of about two degrees in width, would make the round trip from England to Hong Kong in fifty days, and, if powerful steamers were used, in less time. With fewer trans-shipments the delivery of freight would be more certain and rapid than by the Peninsular and Oriental line. On the return trip from China large steamers taking the northern route, and calling for fresh coal at Shanghai, Yakuhama and San Francisco, would obtain any amount of freight which they could carry; but such a line would not be as profitable as that proposed from Shanghai to San Francisco. At the former place passengers

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£80,000, provided the Treasury would assist by contributing an equal amount, or by paying half the expenses of the Pacific, and making no claim on the Colonies for service on the Atlantic.

It was proposed to establish a line of steamers of 2,000 tons each, able to make twelve knots average speed, and to perform a monthly service, the maximum time between London and Melbourne to be forty-five days, in which an allowance of five days was made for contingencies.

The arguments in favor were very powerfully urged, and no less eminent an authority than Sir EDWARD BELCHER expressed himself in favor of the route before a select Committee, in these words:

"I think that in either passage in the Pacific you would have a leading wind which is the best wind always for a screw steamer, or you would have an opportunity on the return passage of having what is called a soldier's wind; and that the breezes which blow there would enable a vessel to go faster than she would ever with strong breezes on the other side."

The fact of Sir EDWARD's having twice circumnavigated the globe, and being familiar with the South Pacific, gives great weight to his testimony.

The arguments against the route were substantially, as already stated, the principal one being that it would cost more than it was worth, and the Lords Commissioners formally declined, in letters dated May 7, 1863, to have anything to do with the matter on the part of her Majesty's Government.

The agents of the Colonies mentioned, however, made a strong protest against such a decision being final, and threatened that New Zealand and New South Wales would not pay for any postal arrangements, via Suez, and just dared to hint that *if they could* they would start the new line alone, and therefore, although it is not probable that such threats will come to anything, it is not likely that we have heard the last of the scheme.

and freight would be received from all China; at the latter the powerful steamers of the Pacific Mail Company plying between San Francisco and Panama, with facilities for coaling at Acapulco, could forward both freight and passengers with greater ease and despatch than any vessel with steam as an auxiliary only, arriving after a voyage of four thousand five hundred miles with empty bunkers, and another stretch of three thousand five hundred miles before her to Panama. No reliance can be placed on the winds of the Mexican coast.

The policy of our Government has for some years past been directly opposite to that of Great Britain in the matter of giving encouragement to the increase of steamship lines by a judicious and timely subsidy, or, in other words, a liberal mail contract, and the result is that Great Britain possesses a far larger steam fleet than America, and all the great ocean lines have fallen into English hands with the exception of that to California by way of the Isthmus, and we have excluded them from this trade by legislation, it being part of our coasting-trade, under which head we have managed to include Maine and Oregon, with a sweep of sixteen thousand miles around Cape Horn, taking in the continent of South America as a matter of no consequence.

The unfortunate Collin's line, of which we were justly proud, was broken up for want of this aid, and now, in a time of trouble, the Government has found the idle vessels of that line the best and most useful of its transports.

An enumeration of the trans-oceanic steamship lines, subsidized by the Queen, and their results, commercially and politically, is hardly an agreeable matter for study, in view of our own deficiencies in this respect, but it should be a very profitable one, for it suggests a great deal.

First, we have the great Cunard lines, which Americans know all about; then the Peninsular and Oriental, connecting with the Colonies of Gibralter and Malta, with Egypt, Bombay, Madras, Ceylon and Calcutta, Singapore and all the China ports, and the Colonies of Mauritius, Australia and New Zealand—the greatest steamship monopoly in the world. The West India Packets are well-known, and they form a bi-monthly line to Aspinwall, where another branch skirts the coast of South America. Once a month England sends a steamer to her Colonies of St. Helena and Cape Town, and on the way she looks in upon the principal ports of the African coast. Another steamer leaves weekly for Canada, via Portland, and the Grand Trunk Railway. Again we find a steamer sailing monthly for Lisbon, Rio and Monte Video. All these voyages are of considerable length, some of them are long in point of time as that proposed, and all are Royal Mail Steamers; in other words they receive heavy subsidies. All the shorter lines of propellers, etc., are purposely omitted from this list, which is quite long enough to merit serious attention.

It may be urged with great show of reason that we have enough to do at present to attend to matters at home, and to provide ways and means for our heavy war-expenses, without spending money on postal routes where England is ready to do all the work for us; but this question of the Pacific is one involving a very small annual expense, which would be a mere drop in the bucket which Mr. Chase is preparing to souse Congress with at its next meeting, and the outlay, unlike many others will make four-fold returns in a very brisk period. Leaving out of sight all it would do for San Francisco and the benefit New York would derive by being

within thirty-five days communication by telegraph with Shanghai, a very short time would serve to build up a steam navy in the Pacific, which would be of incalculable value in event of trouble with any foreign power.

In time of peace it would be reaping golden harvests for our Pacific States, in time of war it would defend our coasts, and command the northern half of the grand ocean.

The Sandwich Islands are of first importance in event of war between England, Russia, or the United States. They are powerless for defence, owing their political independence in the first instance to the mutual interests in them of the United States, England and France. A nation possessing them or able to throw any considerable force there from the China coast would do great damage to our Pacific trade and our whaling fleet, and at the first outbreak of hostilities, Hawaii would quickly meet the fate of the Isle of France or Mauritius. A large steam fleet in the Pacific, and close connection between the Hawaiian Kingdom and California, would ensure it and us against such a calamity, which, from the future importance of the Pacific trade, would be a very serious one.

Thus, it will be seen, that as a safeguard to our coasts, and protection to our trade, as well as a means of increasing the prosperity of the richest and most thriving States in the Union, and through her that of all others, (for she has been the most bountiful,) steam communication between California and Asia is a matter not only of local but of national importance deserving national aid.

THE DANO-GERMAN WAR.

T. M. J.

We spoke in a former number of the *Merchants' Magazine* of the probabilities of a European war. The fears we expressed then are realized now. Austria and Prussia have advanced their standards into Schleswig, and have been met by the army of King Christian. Blood has been spilt; the war has actually commenced, and who is wise enough to tell us where it will end? As this is a question of daily increasing interest to the commercial world, we propose again to take up the story, and enter a little more into the details of this Dano-German controversy.

The modern Danish monarchy consists of a kingdom and three duchies. The islands and the northern portion of the Cimbrian peninsula, or the province of Jutland, constitute the kingdom. The central part, which has from the most ancient time been either a fief of the Danish crown, or a component part of the monarchy, is the duchy of Schleswig. The southern portion of the peninsula is the duchy of Holstein, and on its south-eastern frontier lies the little duchy of Lanenburg. All these territories belong to Denmark; but the two latter, instead of being fiefs of that kingdom, as the former is, are fiefs of the Holy Roman Empire. Thus the river Eyder, which separates Schleswig from Holstein, forms also the boundary line between Germany and Denmark. And all the territory, north of that river, looks to the king of Denmark as its rightful sovereign;

while the provinces on the south, claimed by the Danish monarch merely in the capacity of Duke, acknowledge the superior authority of the German Diet. This arrangement, uniting the two German Duchies to the kingdom, and thus making the Danish monarch a member of the Diet, cannot claim for itself any great antiquity. In the revolutions and political earthquakes of past centuries, during which the map of Europe has been so often dissected and made anew, the duchies occupied various positions with regard to the kingdom. Sometimes the King of Denmark governed them in their entirety as now, but they were more usually split up into different fragments, and acknowledged the authority of different princes. When peace came after the great Napoleonic wars, and the time for gathering together the spoils, and readjusting the shattered fragments of territory had arrived, Denmark received the little duchy of Lauenburg, to compensate her for the loss of Norway; and that arrangement was entered into with regard to Lauenburg and Holstein, which gave to the Danish monarch a seat in the German Diet. Since that time Holstein has been to Denmark a source of constant trouble. The people being Germans are thoroughly imbued with true Teutonic feeling, and this feeling, being fostered by their German kinsmen, has made them long for the day when a German prince shall receive their heartfelt homage, and make them a part of the great fatherland.

Every quarrel has two sides to it, and so has this. The friends of Denmark say, "that Austria and Prussia have not kept their word. They have never acknowledged King CHRISTIAN as duke of Schleswig-Holstein, which the treaty of London requires them to do; and, furthermore, they are continually acting a double policy, which, of all policies, is the most dangerous. In the first place they profess to desire peace, and have done all they could to bring on war. In the second place they still acknowledge the obligations of the treaty, and at the same time their aim is to satisfy a people, that will not be satisfied, save the treaty be broken." These surely are serious charges. Let us examine them a little in detail.

First. They talk of their desire for peace, yet have done all they could to cause a rupture. We cannot help thinking that they are somewhat sincere, however, for they are the powers that have most to lose by war. With Kossuth endeavoring to excite the discontented Hungarians to revolution; with Galacia so near outbreak, that the Emperor deems martial law necessary; with the King of Italy anxious to seize Venetia, why should not Austria wish for peace? Then again, with France able and longing to annex the Rhenish provinces, what has Prussia to gain by establishing the principle that "they should take, who have the power, and they should keep, who can." Although their interest is unquestionably to preserve the peace, yet there is another influence at work, pushing them on to war. The voice of the people at all times speaks loud and forcibly. There is no monarch in the world, nor has there ever been one, who can set himself, and his government in direct opposition to the clearly expressed demands of the popular will. Even the Peruvian Incas, whose authority was as unlimited as any ever possessed by man, were forced to work upon the popular superstition and extort from their subjects the reverence due to the children of the Sun, in order to acquire that despotic power, which it is the undisputed right of a deity to wield. They rested their authority on the religious devotion of their subjects, and made rebellion against their government not a crime only but a sin; and every

monarch, who would not be driven from his throne by an enraged people, must sustain even a despotic power by some kind of popularity. It is this power of the people that is working in Germany, and it is to gratify this popular feeling, and to calm the excitement of the popular mind, that the leading powers have opened the war. The rulers speak loudly for peace, and say that if the obnoxious constitution were revoked which incorporates Schleswig with the Kingdom, making it a component part of the Danish monarchy, then indeed they would adhere to the treaty of London, and maintain unimpaired the integrity of Denmark. Yet the best guarantees for the revocation of the constitution, possible in so short a space of time, were given to Austria and Prussia, before they crossed the Eyder. They asked King CHRISTIAN to do something he had no power to do. To revoke the constitution he must assemble his Rigsdaag or Parliament, and ascertain through them the will of his people. All this requires time. But Austria and Prussia grant no time. They say, "we will not wait; you must comply at once, or we will declare war, enter your territory and seize your provinces, because we are stronger than you." And so they have done, and on their shoulders do the Danish people throw the responsibility.

The insults heaped upon the German nations by the first Napoleon, had the effect of awakening a national spirit, and of arousing the people to patriotic exertion. The remembrance of the time when a German wielded the tremendous power of a united Empire, and Charles V. dictated the law to that same France, which was now crushing them, excited longings and aspirations, which unity among themselves alone could make effective. How this unity could be brought about became a subject of anxious consideration. One of the first things suggested was the creation of a navy, belonging to no one kingdom or province, but carrying over the high seas the flag of a united Germany. This would be both a bond of union and an element of strength. No sooner was the idea presented, than it spread like wild-fire; no one wished to be behind-hand in his subscription to this patriotic purpose, and lectures were delivered in almost all the towns, and the proceeds applied to build a German fleet. The effort does not appear, however, to have been remarkably successful, for up to the present day Germany is deficient in ships.

But there was a serious obstacle in the way of Germany's attaining much maratime greatness. There is hardly another nation in the world that possesses so large an area, and yet such a small extent of sea-board. What little coast it has is poorly supplied with harbors, and the harbors it possesses are either insignificant or commanded by the territory of other powers. Their ports on the North and Baltic seas are guarded by Denmark and Holland, and would be of little avail if these powers were hostile—but with the Duchies firmly united to them the case would be different, and the fine harbors in these coasts would be at the disposal of the German fleet. "Here," says Denmark, "is the key-note of the popular cry; this is the reason they are opening the war—they wish to get possession of our harbors, to destroy us as a nation, and to make themselves a great naval power." There is, doubtless, much truth in this. The Austrian and German rulers, however, care little for German nationality or a German fleet, they only want to get control of the Germanic Confederation, and to obtain the highest place in the German Diet; yet they have to bend to and partly obey the demands of their people. They

profess to stand on the treaty of London, which their subjects don't care for, and demand the revocation of the obnoxious constitution which they know will not satisfy the popular will. And this brings us to consider the second point, viz: that they acknowledge the obligations of the treaty, but nevertheless try to please a people that will not be pleased so long as the treaty stands.

The German people uphold the cause of the Duke of Augustenberg, not merely because they believe his claim to be more valid, but also because he is a German, and the duchies, under his rule, would be a part of Germany. The aim of the popular German party has been constantly to draw Schleswig nearer and nearer to Holstein, and as constantly to widen the gulf which separates the duchies from the kingdom. They have held since 1848, at least, that the fate of Schleswig is identical with that of Holstein, and that Schleswig cannot be drawn nearer to Denmark without influencing Holstein, nor Holstein be taken away from Denmark unaccompanied by Schleswig. Indeed they would prefer to see both Duchies drawn closer to Denmark than Schleswig alone, because the German element which exists in Holstein would serve as a drag, preventing the dreaded incorporation of either duchy with the Danish monarchy. "Wherever," they say, "one duchy goes there must also the other go, they cannot be separated, but must be joined more firmly together; a like future awaits each—their fates are identical." Their reason for taking this ground is evident. They fear that Schleswig if left to itself would soon be united to Denmark, and they believe that German-Holstein possesses more power to draw Schleswig towards the Bund, than Schleswig can have to draw Holstein into the kingdom. They naturally desire to see the German power extended, and they immediately raise the cry of German nationality. But Austria and Prussia, as we said before, care little for Germany as a nation. Their only desire is to get the upper hand to receive the lion's share in the distribution of power, and if that is attained the rest may look out for itself. They were compelled when they saw German feeling rising high to bow before it, and they took their stand on the engagements of the treaty, and demanded the revocation of the constitution; but the revocation of the constitution will not satisfy their people. They long to tear the duchies from the dominion of King Christian, and to unite them to themselves. If the constitution were revoked to-day, and Austria and Prussia should thereupon withdraw from the contest, they would have to bear the contempt of their subjects. These two great powers pretend to be zealous for the treaty, and draw the sword ostensibly to uphold its requirements, but really to satisfy a people that will not be satisfied, unless they do that which the treaty declares shall not be done. How will they extricate themselves from the unfortunate dilemma?

So much for the plea of Denmark; let us now see what Germany has to say.

Upon the death of the late King of Denmark, the elder branch of the family of Frederic II. became extinct, at least as far as its male representatives were concerned. It therefore became necessary, in accordance with the requirements of the Salic law, to call upon the family of his younger brother to supply the heir to the throne. It is not necessary to examine the genealogy of the rival princes. No one attempts to deny that the Duke of Augustenberg is the eldest male representative of the

royal family; and that the Prince of Glucksberg, the reigning king, belongs to a younger branch. It is evident then that, if the Salic law remains in force, the present king has no right; and that the Duke of Augustenberg is the legal representative. But unfortunately, in the year 1660, at the same time that Denmark was changed from an elective to an hereditary monarchy, the Lex Regia was passed. This law provides that the female can inherit provided there is no male heir. When, therefore, the late king died, the throne descended, through the female line, to Prince Frederic of Hesse. He, however, withdrew his claim, and his sister Mary did the same, and the Princess Louise, wife of the Prince of Glucksburg, became queen. She also abdicated in favor of her husband, and thus gave Prince Christian the kingdom. But although the Salic law was abolished in Denmark, it does not follow that it was also abolished in the Duchies. On the contrary, it holds there as strongly as ever; and, although the Duke of Augustenberg may have his rivals, yet his right is evidently superior to that of the king. The Duchies are all he claims. His claim is upheld by the German people, and by the German population of the Duchies themselves. He is the representative of German feeling, because he is a German, and if he were Duke of Schleswig-Holstein, then Schleswig-Holstein would be a part of Germany, and the people would be united to their kinsfolk and friends.

But how is the treaty of London to be dealt with? Not only all the great powers of Europe, but almost all the principalities of Germany, promised to acknowledge the Prince of Glucksburg as king. Austria and Prussia profess to be zealous for the treaty, yet they refuse to comply with its requirements. It cannot be denied, that the present king came to the throne in a very unfortunate time. It was when the obnoxious constitution had passed its third reading, and only awaited his signature. If he signed, he committed a grave offence against Germany; if he refused, he outraged the feelings of his people. He did sign, and the constitution became law. Here is the nominal offence. "We are not bound," say the German people, "to see the Duchies drawn away closer to Denmark. We promised to King Christian all the territories of the late king; but he has no right to unite all his provinces into one kingdom." To prevent the dreaded incorporation from taking place, a Federal execution was ordered in Holstein, and that duchy was occupied by Saxon soldiers. Soon Austria and Prussia, influenced by popular feeling, and afraid of losing power in the Bund, also took up the quarrel and sent troops forward. But this duchy could not be held alone. It must not be severed from Schleswig. The German forces must cross the Eyder. They did cross the Eyder; and crossing the Eyder was war. "And now," says Herr Von Bismark, "we have a new state of things; a state of war. War is a trial of strength. We promised to give to King Christian all the territory of the late king. But war has altered the case. It has put an end to the treaty, and we are free to act as we please." Whether this is sound political morality or not, we do not pretend to say; but certain it is that an adherence to the treaty will not satisfy the German people, and it seems almost equally certain that the great German powers will not withdraw without endeavouring to satisfy them.

But there is another plan by which the German rulers endeavor to set aside the unpleasant stipulations of 1852. They confess themselves bound to recognize the integrity of Denmark, and hold that they do not depart

from that principle by the occupation of Schleswig. "If however," says a dispatch to the English government, "in consequence of complications which may be brought about, by the persistence of the Danish government in its refusal to accomplish its promises of 1852, or of the armed intervention of other powers in the Dano-German conflict, the king's government were to find itself compelled to renounce combinations, which would no longer offer a result proportionate to the sacrifices, which events might impose upon the German powers, no definite arrangements could be made without the concurrence of the powers who signed the treaty of London." That is, if Denmark does not carry out her part of the treaty and perform the stipulations—unfortunately very indefinitely expressed—which in 1852 she promised to Germany; or if any interference on the part of European powers should render a great war necessary, then we will not perform our part of the obligations, but will take what we can to pay the expense of the war. Such is the reply of Germany. The legal question is one that cannot interest us very much, but it may bring on great events. To peer, however, into the thick darkness which surrounds all coming events, and to state what is to be, is a more difficult matter. So far Denmark has received no foreign assistance, but has been left to bear the brunt of war alone. Will the other powers continue to sit tamely by and see Germany rob Denmark, or will they extend to the weaker party something more than the mere expression of sympathy? She has been driven back by her powerful enemies, and has been compelled to abandon the strong fortress of the Danewerke. Still she is presenting a plucky front, and is endeavoring to shame her English friends into some active participation. If left to herself the issue cannot be doubted, for she is unable to cope single-handed with her formidable adversaries. But she does her best even in her solitary condition, and keeps up a stout heart and hopes for better days. She evidently thinks with Mr. Mark Tapley, that only in adverse circumstances is there any merit in being jolly.

But our English friends do not appear exactly to enjoy the present state of things. They do not want war, but neither do they want to sit tamely by and see the annihilation of Denmark. They denounce in strong language the aggressive spirit of Austria and Prussia, and they have done what they could to bring about a peaceful issue. But, alas! their efforts have not proved, nor are they likely to prove, successful. Should they enter into the war, the whole of Europe would be in a blaze. Italy would seize upon Venetia; France would grasp the Rhenish provinces; and thus we should see England, France, Italy, and perhaps the Scandanavian kingdom, arrayed against the holy alliance: for Russia is said to be uniting herself with Austria and Prussia, eager to have her finger in the pie, and to receive her share of the spoils. Whether this shall be or not probably remains with Napoleon to decide. He is the man that governs Europe, and makes peace and war. The *Invalide Russe*, the official organ of the Czar, asks who is the head of the Polish revolution, and answers itself by drawing a pen and ink sketch of Louis Napoleon, who sits, it says, "on a golden throne, and makes revolutions rise or fall." Such seems to be indeed the case; but as "there is always a power behind the throne," so there is a controling influence in events to which even Louis Napoleon will be forced to succumb. What this may be time only can determine.

DEATH OF THOMAS TILESTON.

On the morning of Monday, February 29th, we were startled by the announcement of the sudden death of Thomas Tileston—one of our most enterprising, successful and best loved citizens.

When Mr. Tileston wrote his signature beneath the engraved portrait which appeared in one of our late issues, it was with a smile of blameless pride at the steadiness of the hand that had passed its allotted threescore years and ten, yet still retained the unshaken firmness of early manhood. To a human eye, looking at him thus in the midst of health and prosperity, in unimpaired vigor of mind and body, there seemed to be still in store for him, many long years of usefulness to others and happiness for himself. But a fortnight had scarcely expired when the steadfast hand was still and powerless; and the will that prompted it, the eye that guided it, passed away from the earth for ever.

It is not possible, within a limited space, to estimate the full value of such a life, with all its far-spreading influences, nor to mention the innumerable regrets occasioned by its sudden ending.

In countless ways and places, the loss will be felt: by the fireside in a desolate home; in an extended circle of strongly attached and appreciative friends; in numberless public enterprises and institutions. The firm that has stood for forty-eight years, and that soon might have celebrated its golden wedding-day of partnership, has met with a sudden and sorrowful dissolution. In the bank, the counting-house, the insurance office, in commercial circles everywhere the wise voice will be missed, and many will long to hear again the sage counsel now hushed in sound slumber.

We have already spoken in the sketch of Mr. Tileston's life, of the many noted traits of his character; his wisdom, integrity, and judgment; his benevolence, his energy and discernment. Much more might indeed be said upon these points, but we forbear, and allow the testimony to stand as it was then written, for what was intended as a just tribute to the virtues of the living, has now become Sacred to the Memory of the Dead.

There is perhaps one quality of Mr. Tileston's character which may well be remarked upon, and this is the unusual combination of the legislative and executive faculties. It has been said that men are divided into two classes—the dreamers and the workers—those who think and those who act, those who plan and those who execute. If this be not true as an axiom, it surely may be considered true as a rule. There is of necessity among men a diversity of gifts. A sculptor moulds into plaster the perfect conception of his artist's soul, but it is the accustomed fingers of the handicraftsman, dexterous and flexile with long practice, that finally evolve from the shapeless marble, a statue of such exquisite finish that the world goes wild over its beauty. One general works out in theory a magnificent campaign, admirable in its utmost details, wonderful in its perfection as a whole; another, powerless to originate, but strong to execute, grasps the great idea, and rushes on to a victorious consummation. These diverse powers of invention and execution, dissimilar, and

generally separate, were combined in an unusual degree in Mr. TILESTON'S character, and largely contributed to ensure the remarkable success which attended all that he attempted. The best laid plans are but schemes and visions, till a practical test proves their wisdom; and the greatest executive faculty can hardly be expected so fully to adopt and carry out the conception of another, as not to lose something of its original force or delicacy. He, therefore, who can both theorize and perform, who can first think out and then work out his own idea, has an advantage over his fellows that must inevitably make him an eminently successful man.

The manner of Mr. TILESTON'S death is too well known to require any detailed statement here. It was excessively sudden. Without an instant's premonition, without a quiver of the strong hand, without even a quickened breath to warn him, death seized the earthly tenement and let the soul go free. It must ever be a consolation to those who best loved him, that he was spared the pains and anxieties of a lingering illness, and that they were saved the sight of long distress and weakness, which human tenderness is sadly powerless to relieve. And yet, to every thinking mind, there is a wonderful solemnity in such a sudden death. It forces upon one a profound and overwhelming sense of the strange union and still stranger parting of soul and body; the eternal mystery of

> "The vase of clay, the earthy clod,
> Constrained to hold the breath of God!"

Breathed into it at birth, withdrawn at death; and, between the two, a short tumultuous passage, a rapid grasp of grief, joy, pain, and change, that we call the life of man.

Happy is he who, in passing away, leaves only the remembrance of worthy deeds to those about him; whose name evokes none but good and kindly memories; whose life, like a goodly bark passed out of sight, leaves behind it a glittering wake of beneficent influences to guide other mariners into the desired haven. Yes, more than happy are all such, they are blessed, for "they rest from their labors, and their works do follow them."

PROCEEDINGS OF THE CHAMBER OF COMMERCE ON THE DEATH OF THOMAS TILESTON.

AT the regular meeting of the Chamber of Commerce on the 8th of March, Mr. A. A. Low, after calling the meeting to order, spoke in a few earnest words of the death of MR. THOMAS TILESTON, and the great loss the city had thus suffered, referring to the fact that Mr. TILESTON had been a member of the Chamber since 1833. After which Mr. JOHN D. JONES, President of the Atlantic Mutual Insurance Company, in a brief address paid a feeling tribute to his memory, and gave a very just estimate of his character. In speaking of his unusual success, he said:

"It was no one quality of mind that made him great in his sphere, but a combination of many evenly balanced qualities, which gave him power to excel. His industry knew no tiring; his energy seemed controlled by a will which was adequate to the difficulty to be overcome; his sagacity and quick decision gave him great advantage in mercantile transactions. His skill and foresight, adopting and entering upon plans of enterprise and improvement, and his fidelity in pursuing his plans; his promptitude and punctuality in performing his engagement; are rare qualities in the human mind, and the favorable results which are so well known have all shown their value.

"In liberal public spirit few excelled him. He was ready to take up any public measure deemed by the Chamber necessary for consideration, and, regardless of his own valuable time, gave it the necessary attention. His last duty was to act on a committee upon the subject of ocean steam navigation; his last public act and address before this Chamber upon the adoption of that report, delivered only a few days before his death.

"His courtesy and frankness of manner were remarkable, and his general discretion very largely contributed to his success.

"Mr. TILESTON adorned every station he held in life; he added dignity to the position of a merchant, and elevated the character of a banker. As a counsellor his clear judgment was most valuable; as a friend he was devoted and reliable."

After listening to Mr. JONES address, the Chamber adopted the following resolutions:

"*Resolved*, That in his decease the mercantile community has lost an estimable member, the young merchant a valuable friend, and the city of New York one of the active supporters of its commercial greatness.

Resolved, That in our varied forms of intercourse with the lamented deceased, we can all bear testimony to his industry, energy, sagacity and ability; to the skill and courage with which he foresaw or adopted and entered into well-considered and productive plans of enterprise and improvement; to the promptitude, punctuality and fidelity with which he pursued such plans and performed his engagements; and to his liberal public spirit.

Resolved, That after a long intimacy with him, we express with gratitute our appreciation of his virtues as a citizen and friend, of his probity of character, and his genial, social qualities.

Resolved, That the members of this Chamber attend his funeral and unite with his numerous friends and acquaintances in attesting their respect for his memory.

Resolved, That a copy of the foregoing resolutions, duly authenticated by the officers of the Chamber and seal, be transmitted to the family of the deceased.

After the adoption of the resolutions the Chamber adjourned, to attend in a body the funeral of deceased."

COMMERCIAL CHRONICLE AND REVIEW.

FINANCIAL AFFAIRS—LAW OF FEBRUARY, 1862—SINKING FUND—GOLD ACCUMULATION—BILL TO SELL GOLD—RELATIVE VALUE OF GOLD—PRICES—GOLD IN THE WORLD—FOREIGN COMMERCE—OBJECTS OF NEW BILL—ITS DEFEAT—GOLD IN TREASURY—GOLD INTEREST—NATIONAL DEBT—THE MOVEMENT IN MARCH—TWO YEAR NOTES—INCREASE OF DEBT—RESULTS OF GOLD BILL—GOLD MOVEMENT—EXCHANGE—LOAN BILL—NEW ISSUES—STOCK PRICES—INVESTMENTS—MINING INTERESTS—REDUCED COST—GENERAL BUSINESS—IMPORTS—EXPORTS.

THE commercial and financial affairs of the country has been a good deal disturbed during the last month, by the proposed action of Congress in relation to the disposition of the gold in the Treasury. The continued collections for custom duties, which are payable in gold had caused an immense accumulation, and the supply in the market was small—hence the amount on hand, and which under the loan could apply only to interest on the sinking fund, came to be regarded with uneasiness. The law of February 25, 1862, provided Section 5, as follows:

That all duties on imported goods shall be paid in coin, or in notes payable on demand, therefor authorized to be issued, and by law receivable in payment of

public dues, and the *coin so paid shall be set apart as a special fund*, and shall be applied as follows:

First. To the payment in coin of the *interest* on the bonds and notes of the United States.

Second. To the purchase or payment of one per centum of the entire debt of the United States, to be made within each fiscal year after the first day of July, 1862, the interest on which shall in like manner be applied to the purchase or payment of the public debt as the Secretary of the Treasury shall from time to time direct.

Third. The residue thereof to be paid into the Treasury of the United States.

This solemn pledge of a "special fund" was made in the law authorizing the issue of $500,000,000 six per cent five-twenty year stock, all of which had been issued or sold on that pledge as part of the condition of purchase. The custom duties have been very large, and the amount of gold accumulated as follows:

SPECIE IN NEW YORK CITY.

		Price.	Treasury.	Banks.	Total.
October	8.....	42	$9,081,848	$30,064,614	$39,146,457
November	1.....	47	9,586,970	28,783,281	38,370,251
January	1.....	51	12,830,599	25,161,935	37,992,534
February	1.....	57	15,618,231	24,203,632	39,821,863
—	6.....	58	17,113,941	24,070,791	41,184,732
—	13.....	59	18,562,456	23,521,453	42,088,909
—	20.....	61	19,063,565	22,523,968	41,592,483
—	27.....	63	20,675,021	22,301,687	42,976,708
March	5.....	69	22,318,101	21,220,658	43,538,759
—	14.....	63	23,752,515	20,750,495	44,503,010
—	19.....	62	25,118,578	21,059,512	46,178,120
—	26.....	70	26,655,022	20,425,504	47,080,526
April	2.....	71	26,535,204	19,526,665	46,057,869

The amount held by the banks in October was estimated to belong, two-thirds to the banks themselves, and one-third to special depositors, importers and others who had purchased to pay duties, and for other purposes. Under the process of paying duties and of exporting the amount in bank ran down nearly $10,000,000 and that in the Treasury increased $16,000,000, after all the payments of interest, November, January and February 19, and the price of specie in the market regularly increased. Under these circumstances it was obviously the duty of the Secretary under the law if he supposed the sum on hand would warrant it, to buy the public debt for the sinking fund. The amount of the public debt is in round number $1,600,000,000, hence one per cent is $16,000,000 which with the accruing interest would supply the market and keep faith with the government creditors. Instead of this, however, a bill was brought into the House authorising the Secretary to sell all the gold not wanted for the interest on the public debt. In other words to do away with the sinking fund on the guarantee of which the debt had been negotiated. This direct attack upon the public faith gave rise to much discussion. The theory of the new bill was that the rise in gold was due almost entirely to speculation, and that a few sales by the Secretary would suffice to break that speculation, and greatly to reduce the price. This theory was founded in the error that it is gold that has risen and not paper that has fallen in value, whereas the fact is that gold has risen less than any other article—all commodities are higher than gold. There are, of course, circumstances that affect prices besides currency. As taxes, transportation, supply and

demand. The imported goods bear a high rate of duty direct and also payable in gold, and these affect prices. The articles formerly derived from the South are in very short supply, in consequence of which the prices not only rise on those commodities, but upon all kindred articles.

Let us leave out of the estimate then imported goods and materials supplied by the South. Those articles that are more exclusively influenced by the currency are farm products. These are in more than usual supply, and pay no taxes, but are affected by the high cost of labor of manufactured goods and of transportation. The following will show how those prices have varied since March, 1862, when the government legal-tender issues began:

PRICES IN NEW YORK IN MARCH.

	1862.	1864.	Rise.
Copper, 100 lbs	$23 00 a 25 00	$41 00 a 42 50	$18 00
Coal, ton	4 50 a 5 00	9 00 a 10 00	4 50
Iron, pig, ton	21 00 a 23 00	48 00 a 49 00	27 00
Lead, 100 lbs	6 50 a 6 75	11 75 a 12 00	5 25
Nails, 100 lbs	3 25 a 3 75	6 00 a 6 25	2 75
Ashes, pot, bbl	5 50 a 5 75	8 75 a 8 87	3 25
Dry Cod, cwt	3 37 a 4 25	6 50 a 7 00	3 12
Flour, bbl	4 50 a 5 60	7 30 a 7 35	1 90
Corn, 100 bush	58 50 a 60 00	131 00 a134 00	72 50
Hay, 100 lbs	80 a 85	1 85 a 1 40	55
Wheat, bush	1 30 a 1 45	1 63 a 1 65	33
Hemp, cwt	10 50 a 11 25	14 00 a 16 12	3 50
Barley, bush	85 a 1 00	9 35 a 1 50	50
Oats, bush	37 a 39	90 a 91	53
Hops, 100 lbs	14 00 a 20 00	26 00 a 33 00	12 00
Clover seeds, 100 lbs	7 50 a 7 75	12 50 a 13 25	5 00
Lime, bbl	60 a 65	1 25 a 1 35	65
Oil, Whale, gal	25 a 35	58 a 60	33
Oil, Coal	48 a 57	1 10 a 1 12	62
Pork, bbl	13 25 a 13 75	21 75 a 23 50	8 50
Beef, bbl	5 50 a 8 00	10 00 a 15 00	4 50
Lard, 100 lbs	7 50 a 8 25	13 59 a 14 00	6 00
Whisky, 100 gals	25 00 a 25 50	89 00 a 91 00	64 00
Tallow, 100 lbs	8 75 a 9 00	12 62 a 12 75	2 87
Whalebone, 100 lbs	68 00 a 70 00	150 00 a155 00	82 00
Wool, fleece, 100 lbs	52 00 a 55 00	78 00 a 82 00	26 00
Wool, pl'd, 100 lbs	44 00 a 45 00	70 00 a 75 00	26 00
Butter, 100 lbs	16 00 a 21 00	36 00 a 37 00	20 00
Cheese, 100 lbs	5 00 a 7 00	15 00 a 18 00	10 00
	412 67 a445 88	825 83 a871 12	413 15
Gold	101 5 a101 50	150 00 a164 00	
Paper Money outstanding	60,000,000	600,000,000.	

The rise has effected every article, and the average aggregates will compare as follows:

	Gold.	Aggregate Articles.	Rise per cent.	U. S. paper currency.
March, 1862	101½	429 27	..	$60,000,000
March, 1863	154	727 12	70	320,000,000
March, 1864	159	848 57	98	600,000,000

It is here evident that the rise in gold is far less than in other commodities, the metal having risen but fifty-nine per cent, and the average of twenty-nine articles is ninety-eight per cent, and those are articles not directly acted upon by the rise in gold. It is also evident that if this level of prices is maintained

in paper value, while gold is forcibly depressed, an immense amount of the over-valued article must be imported from Canada and elsewhere.

If now we make a table of imported articles or those the prices of which are effected by higher duties and those in gold and also by exchange, we will have still higher prices, as follows:

	1862.	1863.	1864.
Cordage, Manilla	9 00 a 10 00	18 00 a 18 50	19 00 a 20 00
Indigo	1 25 a 2 50	2 00 a 2 85	1 60 a 2 50
Coffee, Rio, 100 lbs	17 25 a 19 50	30 50 a 34 00	36 00 a 37 50
India Rubber	48 a 50	85 a 87	83 a 85
Gunny Cloth, 100 yards	11 00 a 11 50	16 00 a 16 75	15 50 a 15 75
Hides, Rio, 100 lbs	21 00 a 21 50	30 00 a 31 00	29 50 a 30 00
Plaster of Paris	1 50 a 1 75	3 60 a 3 75	3 25 a 3 50
Leather, Oat. Mid	27 00 a 30 00	40 00 a 42 00	45 00 a 47 00
Mahogany	35 00 a 45 00	45 00 a 55 00	100 00 a150 00
Molasses, No. gall	50 a 55	45 a 47	70 a 80
Silk, raw	5 00 a 5 50	10 00 a 10 50	9 50 a 9 75
Carria, 100 lbs	31 00 a 32 50	45 00 a 46 00	62 50 a 65 00
Gin	26 00 a 27 00	55 00 a 56 00	103 00 a110 00
Sugar, Cuba, 100 lbs	6 87 a 8 75	9 25 a 11 50	12 25 a 14 75
Tin, boxes,	30 00 a 32 00	56 00 a 58 00	56 00 a 57 00
Spelter	5 50 a 5 70	9 00 a 9 37	12 50 a 13 00
	$228 35 a254 25	$370 55 a396 56	$516 13 a577 00

	Gold.	29 articles above.	Rise per cent.	Sixteen imported.	Rise per cent.
March, 1862	101¼	429 27	..	241 30	..
March, 1863	154	727 12	70	383 85	60
March, 1864	159	848 57	98	546 56	130

Thus while farm produce has risen ninety-eight per cent, imported articles not directly influenced by the scarcity of raw materials have risen one hundred and thirty per cent, while gold had risen only fifty-nine per cent. These facts show conclusively that the rise in gold is only an index. The apparent value of gold depends entirely upon the volumn of irredeemable paper money afloat, in relation to the markets of the whole world. In a work published in Paris, and of high authority, by Mr. Ed. M. Levasseur, the quantity of precious metals in civilized countries in 1858 was given as follows:

Silver	fr.22,000,000,000	or	$4,125,000,000
Gold	fr.13,000,000,000	or	$2,442,500,000

Modern commerce, through the quick agency of steam, equalizes the value of this vast sum to a fraction of one per cent all over the world. In every country, all known commodities bear exact proportions in gold, and in every country myriads of merchants are eagerly watching a variation in order to profit by it, by sending commodities for gold where it is too cheap, and sending gold for commodities where it is too dear. The idea of altering the value by selling a comparatively few handfuls of gold in New York, is novel. The rise and fall of paper is another matter, and is governed by putting more or less of it afloat. The world at large does not sympathize with it, and it falls in value where there is an excess.

The moment paper becomes the medium of exchange the commerce of the country becomes complicated with its depreciation. Every foreign merchant and every home dealer is required to reduce the paper price to its equivalent in gold, to ascertain the relative sales of commodities, and each promptly avails

himself of the change. If the volume of paper has produced a certain currency level of prices, these are calculated at what the circulating medium may be turned into gold for. If the government or any other agency then steps in and forcibly depresses the value of gold, it simply gives a bonus to the importer. Thus, suppose the above sixteen imported articles are represented by the value two hundred and forty-one dollars when gold was at par, and now by five hundred and forty-six dollars in paper. If the importer could still get the gold for the paper at par, his profits would be 130 per cent, and the country would be flooded with goods, yet this is what the Secretary and Chairman of Ways and Means poposed to do. They proposed to break down the price of gold and let other articles stand. The object was defeated. The bill could finally pass only in the shape of permitting the Secretary to sell the gold not wanted for the interest. The bill will be found elsewhere.

It would appear that all the interest and sinking fund are preserved, and consequently the law now stands in effect as before, "The entire debt" is sixteen hundred millions, consequently one per cent is sixteen millions. Mr. SHERMAN, in the Senate on the 10th, gave an official statement of the debt bearing gold interest at $717,277,512 55, as follows:

Due April 1	$3,152,711 22
Due May 1	14,245,141 33
Due July 1	3,451,347 37
Total	$20,849,199 92
Add 1 per cent sinking fund	16,000,000 00
Total due to July 1	$36,849,199 92
In Treasury, March 10	19,670,479 91
Deficit	$17,178,720 01

Mr. SHERMAN stated that there was more gold in the Treasury, but not available, being special funds. He also stated the estimated receipts of gold from March 10th to July 1 at $22,272,175. This, if realized, would meet the deficit and give a surplus of $5,094,000 to be sold. This is the whole scope of the bill, with the exception that the Secretary may pay interest in advance on such terms as he can bargain for.

The last named power does not appear to be very available. To advance the interest on the public debt involves may grave considerations. Thus the Secretary has it in his power, if he has the gold, to pay to-morrow the coupons due on $510,000,000 five-twenty six per cent stock up to next November. Let us suppose that he does so—that the holder of a $1,000 bond consents to take off his two coupons and get the gold to-day. Having received the gold for interest say sixty dollars, worth ninety-six dollars in currency, he then holds a bond that will draw no interest for more than a year. This bond he would not be likely to hold, but to sell and reinvest the money where it would gain interest, in which case the price of the stock may become very low, the more so if after the coupons are paid there should be a decline in customs. The effect would be to shake out the whole funded debt from its place of investment, making it a floating, speculative stock, and be highly detrimental to the national credit. These objections do not apply to the disbursement of gold in stock purchased for a sink-

ing fund, and it is to be hoped this will now be done if the Secretary is sure of gold enough to meet the whole year's interest.

It is, however, a very serious question whether it would be advisable to pay out the gold for any purpose since all past experiences show that the customs cannot be depended upon absolutely for a year's revenue. After a year or two of prosperity they are very likely to break down and leave the government without the necessary revenue until a return of prosperity. The national debt is now as follows:

UNITED STATES DEBT.

	Feb. 2.	March 2.	March 15
4 per cent Treasury Loan....	$1,526,092 07	$1,037,892 39	$948,692 22
5 per cent Treasury Loan....	30,293,404 34	40,188,919 46	47,207,545 38
Temporary Loan, coin.....	9,547 00	4,450 00	4,450 00
Past due Treasury Notes.....	13,000 00	164,150 00	143,300 00
Suspended reqs.....	21,375,060 27	7,330,817 00	46,971,278 45
Temporary liabilities.....	$53,217,203 68	$48,725,728 68	$95,270,226 05
Old public debt.....	67,221,591 10	67,447,412 55	67,447,412 55
Three year 7-30 Bonds.....	139,536,450 00	138,772,300 00	138,063,800 00
U. S. N.....	450,785,004 60	449,119,548 10	449,073,616 60
Fractional Currency.....	18,246,290 15	18,745,720 15	19,173,320 15
20 Year Loan of 1861.....	50,000,000 00	50,000,000 00	50,000,000 00
20 Year Bonds E	.....	1,227,000 00	1,935,500 00
1 Year Treasury Notes.....	.....	5,860 05	14,600,000 00
2 Year Treasury Notes.....	50,000,000 00	95,502,031 22	115,581,414 03
Oregon W. Debt.....	1,016,000 00	1,016,000 00	1,016,000 00
Certificate of Indebtedness....	137,980,950 00	136,121,650 00	131,098,000 00
6 per cent 5-20 Bonds.....	503,005,178 51	510,165,446 92	510,740,100 00
Total.....	$1,473,225,714 35	1,513,702,837 62	1,596,999,429 38
Less amount in Treasury....	4,033,064 69	9,411,795 27	16,797,655 14
Total, March 1, 1864,.....	$1,469,192,649 66	1,513,291,042 35	1,580,201,774 24

This presents a very interesting chart of the Treasury movements. In the first fifteen days of March it appears $7,000,000 have been deposited at five per cent with the Treasury under five per cent temporary loan head. There have been issued $400,000 fractional notes; $9,000,000 one year legal tender, and $20,000,000 of two year legal-tender; making an increase of $29,400,000 in floating paper, or very nearly $2,000,000 per day. At the same time the "suspended requisitions" have increased $39,640,461.45. These probably embrace the army pay due on the first of March.

The seven-thirty notes decreased it appears $708,748, and the twenty-year bonds increased $708,500, showing the conversion of the former into the latter under this law.

The means of the department in that fifteen days were then as follows:

Received on Deposit, 5 per cent.....	$7,018,626
One year legal tender notes issued	8,740,000
Two year legal tender notes issued.....	20,079,383
Fractional currency.....	427,600
Total means.....	$36,265,609
Unpaid requisitions.....	30,640,416
Total increase, 15 days.....	$75,903,025

Almost the sole dependence for this expenditure were, it appears, the legal-

tender notes, of which the two-year issues were stopped by the following order, thus leaving the one year notes alone to meet the daily wants of fully two millions per day:

TREASURY OF THE UNITED STATES,
WASHINGTON, Tuesday, March 14.

Subscriptions having been received for the total amount of two-year five per cent Treasury notes with coupons attached, which it is proposed to issue, you will please receive no deposits on account of such notes after the receipt of this notice. F. E. SPINNER, Treasurer U. S.

There were then issued some new two year notes bearing interest five per cent payable at the maturity of the note. On the 25th of March a new loan was offered under the law of March 3, 1864, being a five per cent 10 40 year stock.

It appears from the above statement of debt that the amount which bears gold interest is $764,202,812, and the annual interest is $45,852,168. The largest amount ever obtained from the customs was last year $69,059,642. In 1858 the amount was $48,000,000. The increase of the public debt has been as follows:

	Debt.	Increase per day.
July 1, 1862	$508,526,499	.....
" 1, 1863	1,098,793,181	$1,617,300
Sept. 30, 1863	1,222,113,559	1,370,200
March 15, 1864	1,580,201,774	2,157,150

The appropriations for the year beginning July 1 are over $1,300,000,000 and the present laws authorize $1,100,000,000 of gold interest debt. Hence the expense of the next seven months are likely to be as much as for the last six months, viz: $2,157,150 per day, which will give an increase of $453,001,500 in the debt, and this must be derived either from more paper or gold interest debt. In the latter case $27,000,000 will be added to the gold interest, and four and a half million to the sinking fund, making a demand within the next twelve months of $85,000,000 for gold, which is not likely to be derived from customs. In this view it is clearly not prudent to sell any gold now on hand. The Secretary, however, has caused the following notice to be issued.

UNITED STATES TREASURY, NEW YORK, March 23, 1654.

By direction of the Secretary of the Treasury, notice is hereby given that until further orders I will issue to importers, for payment of duties on goods imported by them, certificates of deposit of gold coin, to the credit of the Collector of any port as desired, in exchange for notes, at a quarter of one per centum below the current market value of gold.

These certificates are not assignable, but will be receivable by the Collector from the party to whom they are issued.

J. J. CISCO.
Assistant Treasurer of the United States.

No.—— United States Treasury, New York,———1864.

I certify that———has this day deposited to the credit of the Collector of the port of New York $——— in gold coin. This certificate is receivable only for duties on imports from the party to whom it is issued, and upon his indorsement. ———Assistant Treasurer.

$———

This threw a vast responsibility upon the Assistant Secretary, but the unlimited confidence that the public justly have in Mr. Cisco took away from the measure the distrust that might otherwise have attached to it. As a result the

movement after overcoming the difficulties of fixing a marked value, was merely to stop the purchase of gold for customs for a few weeks. The gold movement was as follows:

SPECIE AND PRICE OF GOLD.

	1863. Received.	1863. Exported.	1864. Received.	1864. Exported.	Gold in bank.	Prem. on gold.
Jan. 2	.....	681,448	254,239	590,262	25,161,935	51¼ a 52
9	1,277,788	726,746	.....	1,216,204	25,122,002	51¾ a 52
16	.....	1,380,247	279,801	1,985,057	24,884,264	52½ a 56½
23	678,841	780,817	365,608	1,000,000	24,631,204	56 a 58
30	.....	1,331,027	324,864	668,747	24,208,632	56½ a ...
Feb. 6	301,860	1,277,000	.....	662,616	24,070,191	59¾ a ...
13	359,987	1,152,846	363,198	1,219,808	23,521,453	59½ a ...
20	.....	520,017	.....	325,632	22,523,918	61 a ...
27	285,394	1,377,016	407,057	531,700	22,801,687	59½ a 61
March 5	1,243,551	733,643	512,358	629,803	21,220,658	61 a 62
12	.....	3,540,550	.....	465,920	20,750,495	62 a 69
19	249,514	1,201,907	281,804	83,881	21,059,512	62 a 62½
26	159,105	1,050,156	375,101	273,900	20,425,504	69½ a 70½
Total...	4,556,031	15,753,420	3,163,630	9,653,660	.....	

In the last week in March the prices had risen under the demands accumulated from a long delay. The issue of the circular above quoted, however, caused a deduction to 165 on the 28th, which again rallied to 171½ in the first week in April. The circumstances that affected gold also had an influence upon exchange, and the market for bills was generally below the corresponding gold rate, as follows:

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 2,	166 a 166½	3.38¾ a 3.34½	62½ a 63	62¾ a 63½	55½ a 56	110½ a 111
" 9,	166½ a 167¾	3.38½ a 3.40	62¾ a 63	62¾ a 63½	55¾ a 56½	110½ a 111
" 16,	169½ a 170¾	3.30 a 3.32½	64 a 64½	64½ a 64¾	56½ a 57½	112¾ a 113¾
" 23,	170 a 171	3.31 a 3.33	64½ a 64½	64½ a 65	56¾ a 57	112¾ a 113¾
" 30,	171 a 172	3.32½ a 3.28½	64½ a 64¾	64½ a 65	57½ a 57½	113½ a 114
Feb. 6,	174 a 175	3.26½ a 3.23¾	65½ a 66¾	65½ a 66	58 a 58½	115 a 116
" 13,	173 a 174½	3.27½ a 3.23½	65 a 65½	65½ a 65½	58½ a 58½	115½ a 116½
" 20,	172½ a 174	3 27½ a 3.23¾	65½ a 65¾	65½ a 65¾	58½ a 58½	115½ a 116
" 27,	173½ a 174	2.26½ a 3.22	65½ a 65½	65¾ a 66	58¾ a 58¾	115¾ a 116½
Mar. 5,	174½ a 175¾	3.25 a 3.21½	65¾ a 66½	66 a 66½	58½ a 59	116 a 117
" 12,	177 a 178	3.15 a 3.18¾	66 a 66½	67 a 67½	59 a 59½	117½ a 118
" 19,	176 a 177	3.22½ a 3.18¾	65½ a 66½	66 a 66½	58½ a 59	116 a 117
" 26,	179½ a 182	3.15 a 3.10	67¾ a 68½	68 a 68¾	60½ a 61	120 a 121½

In another column will be found the supplemental bill passed for the issue of a new loan by the department. The original bill authorized the loan at 10-40 years, not less than six per cent. The new law authorized it at 5-40 years, but the stock was put upon the market at 10 40 year five per cent stock. The first day, March 26, $875,000 were subscribed, the second day $130,000, and the third $430,000, when the national banks were authorized to receive subscriptions. The price of the government stocks were as follows:

PRICES UNITED STATES PAPER.

	6's, 1881. Reg.	6's, 1881. Coup.	5's, 1874.	7 3-10, 3 years.	1 year certif. Old.	1 year certif. New.	Gold.
January 2,.....	104¾	105¼	96	106¼	101½	97¾	151½ a 151¾
" 9,.....	104¾	105¼	96	166¼	102	97¾	152 a 152½
" 16,.....	104	105¼	96	106¼	102½	97½	155 a 155½

	6's, 1881. Reg.	6's, 1881. Coup.	5's, 1874.	7-30, 3 years.	1 year certif. Old.	1 year certif. New.	Gold.
" 23,.....	106	107	97	107	103	97	156 a 158
" 30,.....	106¼	106	100	107¼	102¼	97¼	156½ a 156¾
February 6,.....	107¼	107¼	100	108	102¼	98¼	159¾ a 159¾
" 13,.....	109¼	109¼	100	109¼	103	98¼	159½ a 159½
" 20,.....	111½	110	100	111	103	99¼	159¾ a 161
" 27,.....	111¼	110½	100	111	103	99¼	159¾ a 161
March 5,.....	111¼	111	100	111	103¼	99¾	161¼ a 161½
" 12,.....	112	112	100	110½	103	99¾	162½ a 162¾
" 19,.....	112	112¼	100	110½	103	99¼	162 a 162¼
" 26,.....	112	112¼	100	111½	103	99¼	169¾ a 179

The six per cent 5-20 stock payable in twelve years are quoted with the accumulated interest at 109¼, which bears a premium of 106 net price, and with gold at 170, this is equal to 63 specie price, at which the stock pays 11 per cent interest, and is therefore better for the buyer than the five per cent at 100.

Investments ran very heavy in stocks, but the rise in gold caused some fluctuation, and there was apparent a growing demand to invest in substantial property like mines. Hence attention was turned to the mineral wealth of the west, causing its development to be pushed with great vigor under growing improvements that make gold and silver production constantly less expensive. Governor EVANS of Colorado, in his annual message, remarks:

"The improvement in the modes of saving gold from the ores of our mines that have been made during the past year have given a new impulse to our mining operations. By these new processes ores that paid but twenty-five dollars per ton by the old process, are readily made to yield one hundred dollars per ton, while many varieties produce much more largely, and this without greatly increasing the expenses."

The improvements here alluded to are as well chemical as mechanical, and are some of them very curious. Thus the gold in the quartz is associated with iron pyrites; it is held very tenaciously, as if combined itself with the sulphur always present. The old plan, after drawing off the sulphur, was to pulverize very fine and then apply quicksilver, which united with all the gold free, forming a paste which, exposed to heat, lost the quicksilver in vapor, leaving the gold pure. By this process much gold was lost because it adhered to the pyrites and passed off in the tailings. A new process of roasting at a certain heat drives off the sulphur without adding to the cohesion of the pyrites or causing the gold to volatilize. This process increases the produce threefold. In other cases, where the ores are finely pulverized, the gold becomes so fine as to float in the air, thus escaping the quicksilver. This difficulty has been met by heating the quicksilver into vapor inclosed in a cylinder, into which the dust penetrates. The vapor thus fixes the floating particles of gold, and the yield has been raised in the proportion of two to five. There are numerous other contrivances that produce vast results.

In addition to this is the application of capital to the mechanical improvement of the operations. Thus the veins crop out on the hills and are worked down one hundred to two hundred feet each in a separate shaft—the product being greater as the depth increases. The Atlantic and Pacific Gold and Silver Mining Company have seven of these shafts that yield largely of silver. The Quaw Hill Company veins give gold. The former company embracing the most responsible and sagacious capitalists organized a large capital with

which to drive a tunnel into the side of the hill tapping all the veins, and causing the ore to descend instead of being lifted. The results are so immense from these new applications of capital that $25,000,000 so employed in one region draws $1,000,000 in gold, or four per cent per month interest. The Mexican Pacific Company is now being organized to prosecute operations on the Pacific coast of Mexico under grants from the Mexican Government to 185½ square miles of land. This is an important enterprise, and the substantial names composing the board of directors are a guarantee of its soundness.

These are vast results in gold income from capital investment, and they have stimulated great exertions in the same direction. With great success, aided by the improvements we have mentioned, they have also given color to a cloud of bogus companies, representing old, abandoned worthless claims, and got up to sell. The unwary will be severely bitten with many of them, while great results will flow from judicious investments in sound companies. The effect that these developments must have upon the future prosperity of the country is obvious. Indeed next to direct support to the Treasury there is no more important national object than working the mineral wealth.

The general business has been held in abeyance by the idea that gold would be sold from the Treasury to depress the price and that goods might be lower, a large importation of goods took place however as follows :

IMPORTS, PORT OF NEW YORK.

	Specie.	Free goods.	Entered for Consumption.	Entered for Warehouse.	Total.
January	$141,790	$841,050	$12,422,648	$5,571,936	$18,977,395
February	88,150	797,788	15,766,601	4,991,398	21,643,937
Total	$229,940	$1,638,838	$28,189,249	$10,563,334	$40,621,332
" 1863....	315,877	3,197,210	16,113,766	8,140,569	27,767,422
" 1862....	225,665	5,933,528	13,821,570	6,512,211	26,492,969

The importations for the month of February exceeded those of January, and were much in excess of those of last year—while the quantity of goods in warehouse diminished to a considerable extent.

EXPORTS, PORT OF NEW YORK.

	Specie.	Foreign. Free.	Foreign. Dutiable.	Domestic.	Total.
Jan.....	$5,459,079	$42,232	$664,485	$11,443,953	$17,609,749
Feb	3,015,367	77,698	456,493	13,662,218	17,211,776
Total.....	$8,474,446	$119,930	$1,120,978	$25,106,171	$34,821,525
" 1863...	8,590,288	117,000	1,278,284	32,109,984	42,095,506
" 1862...	6,455,193	76,259	353,250	22,131,578	29,001,280

The exports of the month were much less than for the same month last year. The value of merchandise was $14,196,409, whicht a the average price of specie realize in bills $9,120,000 making with the specie a value equal to $12,135,000 with which to meet a specie value of $21,643,937 of imports—showing a deficit of near nine and a half millions. This was brought about to some extent through the influence of the gold bill agitation, which spread the belief that there would be a fall in gold, that would favor importation and discourage exportation. The natural effect would be a fall in price.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

BANKING MOVEMENTS IN THE UNITED STATES—LONDON MONEY MARKET—BANK OF ENGLAND, ETC. BANK OF FRANCE—BANK OF MEXICO—NEW LOAN ACT—THE ACT ALLOWING TREASURER TO DISPOSE OF GOLD.

BANKING MOVEMENTS IN THE UNITED STATES.

THE bank movement of the three cities, the last three months, is of much interest in a general way, since it has been marked, as during the previous month, by symptoms of collision between the new system called into being by the National Banking Law, and by the workings of the five per cent interest bearing legal-tender notes paid out by the Government.

Our readers will, doubtless, bear in mind the loan made by the associated banks to the Government on the 5th of September, the details of which we have published in full in former numbers. That loan bore six per cent interest, and was not paid until the year 1864, when the banks received $50,600,000 of legal-tender notes, drawing five per cent interest from the 1st of December, 1863. These notes, it was supposed, would be taken up as an investment, and not act directly upon the markets as currency. A very little experience, however, showed that this view was erroneous. At the time they were paid to the banks money was worth seven or eight per cent; and the one year six per cent certificates of indebtedness of the Government were selling at ninety-seven cents per dollar. It is evident that, as the new notes in their character of legal-tender could be paid away for certificates that would give nine per cent interest, they could not be held for the sake of five per cent interest they bore. They were, therefore, freely paid out by the banks as currency. The government, at the same time, emitted others to meet its daily wants, and in doing so, stamped the notes with the dates of emission in order that they should draw interest only from the date of emission. The notes so uttered were received and paid out freely by the Treasury, and the banks without reference to the interest. This large supply of currency, added to the influx from the country on the commencement of the spring trade, caused the deposits in the banks to increase to a great extent as will be seen in the table of the weekly returns hereto annexed.

It is the custom of the banks in making those returns to include all that draws interest under the head of "loans." Hence, when in September they advanced to the Government $50,000,000 the loans were swollen by the amount. But when the Government paid off the loan in interest, bearing legal-tender, as that paper was more currency than investment, it did not appear among the loans. The accumulation of money, however, soon exceeded the demand, and the price o money fell from eight to five per cent. The interest bearing legal-tender therefore became available with their accumulated interest as an investment. The peculiarity of the paper is, however, that in order to realize the interest it must be held until June 1, whereas if they were deposited with the Treasurer for five per cent deposit certificates, these would be available with interest at ten days

notice. Therefore, when money became cheap in February, the banks deposited them to the extent of nearly $10,000,000 with the Treasury.

A new element here came into action. The national banks had multiplied to an extent that forced their circulation, with its privileges and peculiarities, upon the public attention. There are now two hundred and seventy-eight National banks organized, with a capital of $33,042,000. Eight million dollars of the new National currency in fives and tens have been issued to one hundred and seventy-eight banks. Of the new banks, ten are in the city of New York. All the circulating notes issued by the National Banks are a legal-tender between the Government and the people, although not among the people, and any National Bank may put out the notes of any others. Thus, a New York bank may pay out the notes of an Oregon or New Orleans bank, and the latter may pay out New York bank notes, while the Government pay all of them out anywhere. That is the notes received in New York for taxes may be paid in the west or elsewhere. Inasmuch as the notes of the National Banks are redeemable in greenbacks only at the place of issue, a very little management will render it a perfectly inconvertible currency. This is a serious matter, the possible consequences of which must be guarded against by solvent institutions. For this reason, therefore, the associated banks agreed that they would not receive notes of, or checks upon, National Banks that were not redeemed and guaranteed by an associated bank. This determination was reached February 29th, at a meeting of bank officers, held at the American Exchange Bank, at which thirty-five of the city banks were represented. We give the following resolutions passed at that meeting, only the last two of which, however, refers to this subject.

Resolved, That the resolutions adopted at the meetings of the Clearing-House Association, held on the 7th of March, and the 23d of April, 1862, authorizing the use of the temporary loan certificates of deposit, issued by JOHN J. CISCO, Esq., assistant treasurer of the United States, as a medium for the settlement of balances at the Clearing-House, to the extent of forty million of dollars, be now rescinded, and that all such United States temporary loan certificates, heretofore known as Clearing-House certificates, which are held and reported by the banks on the morning of the first day of March proximo, may be used at the Clearing-House for the settlement of balances until the first day of April next, but not after that date.

Resolved, That if any bank, member of the Clearing-House Association, shall elect to hold such United States temporary loan Clearing-House certificates, after the first day of April next, that they shall continue to report the amount of such certificates so held, to the Clearing-House daily, until the morning of the third day of May next, that being the date when the next payment of interest will become due thereon; and the interest upon the certificates so held and reported, together with the interest upon such certificates previously held and reported, shall be paid to such banks as heretofore, by the chairman of the Clearing-House committee, and the manager of the Clearing-House; but that after said third day of May next the interest accruing upon such certificates shall be collected from the government by the banks holding the same.

Resolved, That the Loan-Committee be authorized to receive any United States five per cent legal-tender treasury notes that may be deposited with them by any bank, member of the Clearing-House Association, and to issue therefor loan certificates, equal to the amount of such deposit, in certificates of one, five, or ten thousand dollars, as may be desired by the bank making such deposit.

Resolved, That such certificates shall bear interest at the rate of five per centum per annum, payable monthly on the first day of each month after their issue, and until they shall have been returned to the Loan-Committee and exchanged for the

five per cent United States legal-tender treasury notes upon deposit of which they were issued.

Resolved, That the loan certificates issued as provided by the preceding resolutions may be used in the settlement of balances at the Clearing-House until the 6th day of June next.

Resolved, That a statement of the amount of the United States five per cent temporary loan (Clearing-House) certificates, and the amount of loan certificates held on the morning of each day before the commencement of business, shall be made to the Loan-Committee daily, at or before 11 o'clock, A. M.

On motion of the President of the Manhattan Company, J. M. MORISON, ESQ., it was unanimously

Resolved, That Messrs. C. P. LEVERICH, GEORGE S. COE, J. D. VERMILYE, R. H. LOWRY, and H. L. JAQUES, who, as a Loan-Committee of the associated banks, for several months past, have had the management of the arrangements connected with the loan made by the banks to the United States on the 8th of September last, and who have discharged and completed the very important business referred to them in the most satisfactory manner, be respectfully and *earnestly* requested to continue to act as Loan-Committee, on behalf of the banks, until the arrangements for the issue of loan certificates which have been made by this meeting shall have been completed.

After some discussion the following resolutions were then *unanimously* adopted, viz.:

Resolved, That the banks composing the Clearing-House Association agree to receive from their customers *at par* the notes of all such National Banks as are guaranteed to be redeemed *at par* in *lawful money of the United States* by any bank member of the New York Clearing-House Association, and that all National Bank notes that are not so redeemed shall be considered and treated as uncurrent money.

Resolved, That we will receive on deposit certified checks on such National Banks in this city, as are redeemed through the Clearing-House. by any bank member of that association. *Provided*, that such member shall first engage, by notice given to every other bank member of the association, that it will be responsible for such checks to the extent required by the provision of the constitution of the Clearing-House Association.

On motion, the proceedings of the meeting were ordered to be printed, and a copy thereof sent to each of the banks, and the secretary was directed to request the banks not represented at the meeting to assent to its proceedings and unite therein.

The meeting then adjourned.

MOSES TAYLOR, Esq., acted as Chairman, and GEORGE D. LYMAN, Esq., as Secretary.

These resolutions look to a permanent policy, but practically at present the national circulation is to the associated banks of little importance since it is eagerly sought after by Government to pay troops. The $467,000,000 greenbacks which have been already issued are mostly of large denominations, a fact growing out of the extreme haste in which each issue has been got out. They were prepared only when the Treasury was under the pressure of immense arrears, and therefore notes of large denominations only were printed. The notes of old banks are not receivable by the Treasury. When, therefore, the troops are to be paid a great want of small notes is experienced. To meet this want there is a constant and urgent demand by the Treasury for all the National Bank notes. There is, therefore, no difficulty on the part of the banks at present in receiving the national notes and turning them into the Treasury. This will be the case as long as the Government continues to borrow $2,000,000 per day, and

refuses old bank notes. When this borrowing process shall cease, and the national issues shall approach their limit of $226,000,000, and the issuers begin to find difficulty in keeping them out, the danger will begin to show itself. The necessity of keeping out the notes on the part of needy issuers will lead to the usual practices for the purpose, and the above resolutions adopted by the old banks will be a safeguard. This, however, and some other evils of the new system, are likely to be corrected. A committee of bank officers was appointed to proceed to Washington, and obtain some modifications of the law, particularly in relation to placing government deposits in new banks, and compelling the new banks to keep an agent for the redemption of their notes at the business centre. Also a change of the regulation of the department which seeks to force every bank to adopt a numeral instead of a name. These suggestions have been adopted by the Comptroller of the currency, and the Committee of the House have in accordance therewith, reported in substance the following amendments to the general law:

National Banks are to be required to redeem their circulating notes in the city of New York at a small discount. A uniform rate of interest (seven per cent) is to be established throughout the United States for National Banks. The lawful money reserve that is to be kept on hand is to be reduced from twenty-five to fifteen per cent for country banks, and from twenty-five to twenty per cent for city banks.

Provision is also made for the closing of banks whenever the owners of two-thirds of the capital stock shall deem it expedient. Banks cannot be organized with a less capital than $100,000 in the country and $200,000 in the cities. It will be made imperative that an amount of bonds equal to one-third of the capital stock paid up shall be kept on deposit with the Treasurer of the United States, whether banks take circulation for them or not.

While these propositions in Congress look to the modification of the National loan, an act has been introduced into the State Legislature to the following effect:

SECTION 1. Provides that any bank association, corporation, or individual, incorporated by or under the laws of this State at the time of the passage of the act of Congress, February 25, 1863, may, at any time within two years after the passage of the act, become an association under the provision of said act of Congress, provided that two-thirds of the capital stock consent thereto, and that the cashier shall publish notice thereof in some newspaper published in city or county where such banking association is located for at least thirty days, and send a similar notice to the Banking Department of the State.

SECTION 2. Provides that nothing contained in this act shall be so construed as to exempt the shares from taxation under the laws of this State.

SECTION 3. Provides that nothing ordered herein shall be understood as releasing such associations from their obligations to pay and discharge all the liabilities incurred before becoming such association, and they shall be continued as bodies corporate for the term of three years, to enable them to close their concerns.

The facility of obtaining the use of the public deposits has been a stimulant to the new banks. This privilege has, however, operated singularly to the disadvantage of the Treasury as we stated last month. The law which permits the deposit of funds with the Treasury in exchange for five per cent certificates lays down no limitation, neither does the law allow the public money to be deposited with the national banks contain any restrictions as to the application of those funds. Hence, it has occurred that the public money has been transferred

from the Treasury, its national custodian, into the keeping of National Banks, and they, at a time when money could not amply be employed in the open market, have re-deposited it with the Treasury in exchange for five per cent certificates, thus drawing five per cent interest on the public money without giving any service therefor.

In the meantime, the amount of business for either new or old banks to do is far less than in ordinary times, since mercantile dealings are so generally for cash. The large amount of individual notes usually created on the sale of goods is not now called into being. The immense amount of drafts and interest paper that formerly grew out of the movement of crops, particularly cotton, and which formed the legitimate object of banking operations, have now meanwhile ceased to exist, and the largest proportion of the bank funds are employed in government securities. This is true as well of the old banks as the new. Hence the prospect of any large legitimate banking business seems to be out of the question for the present, and it is precisely at such a moment that the banking capital of the country is doubled. Both systems draw their profits from the manipulation of the government funds, and the future, therefore, holds out for them but a gloomy prospect. The difficulties of a return on the part of either system to specie payments will be very great. The new banks provided by the Government are not required even to pay specie, and have no need ever to provide for it. The banks are called into being and granted certain power, one of which is to issue paper redeemable in "greenbacks."

And so, too, the notes of the old banks are equally redeemable in greenbacks. But the chief difficulty in the way of specie redemption arises from the fact that the assets of both, *now created* by them, are at values created by the legal-tender, the withdrawal of which would sink all one-half. Some prudent banks have, therefore, thought that there was but one alternative for them. They may keep their capitals on hand in gold, or they may wind up and go into liquidation, while yet legal-tenders are serviceable for the discharge of obligations. The latter involves the power of a corporation in prosperous circumstances to wind up its affairs, a question which we understand is in course of investigation by legal authority.

The redemption of specie payments by the New York banks in 1838, is not a parallel to the present circumstances, because the suspension was but a year, and the banks steadily prepared for it. There was also no intermediate legal-tender between the notes and specie. When they gradually contracted their issues they brought values down to the specie level without convulsions. The United States Bank did not do so, it attempted to prolong suspension, and was finally a total loss with some $200,000,000 of bank capital that followed its policy. The Bank of England, after the French war, was seven years preparing for it by contraction, and thus reducing prices, so that resumption was possible in 1821, and there was then no intermediate legal-tender to get rid of. We have now out and in course of issue $1,000,000,000 of legal-tender, all of which must be paid off by taxation, or funded into a specie stock before specie payments can be thought of. There will remain $400,000,000 bank notes, new and old, that must be reduced full one half before specie payment can be resumed. In other words $1,200,000 of debt must be paid before we can get down to the specie level.

The inflation of values that now constitute a part of the bank assets is very

manifest in the column of clearings given in the weekly bank statement. These have swollen to an immense extent. In the year 1861, the whole amount of clearings for the year was $5,915,742,758. This sum is equal to nine weeks of the present rate. In other words, the rate of clearings now is 29,000 millions per annum. The following are the bank returns for the three cities brought down to the latest dates.

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan.*, 1864, $————; *Jan.*, 1863, $69,494,577.)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 2,..	$174,714,465	$25,161,935	$6,103,331	$140,250,856	$300,753,147
" 9,..	173,009,701	25,122,002	6,032,546	134,861,977	387,546,217
" 16,..	165,991,170	23,884,264	6,008,182	130,311,046	416,962,806
" 23,..	162,925,880	24,077,513	5,049,807	130,136,203	460,811,543
" 30,..	162,296,896	24,203,632	5,913,558	130,665,415	427,306,608
February 6,..	163,076,846	24,070,791	5,974,762	133,849,042	425,430,985
" 13,..	165,090,329	23,521,453	5,916,707	140,464,616	467,751,745
" 20,..	168,302,935	22,523,918	5,908,394	148,014,106	514,887,411
" 27,..	174,928,205	22,301,687	5,907,851	154,875,059	575,442,304
March 5,..	182,317,378	21,188,034	5,937,167	158,999,668	518,951,433
" 12,..	189,757,746	20,750,405	5,918,807	168,044,977	688,822,278
" 19,..	198,229,513	21,059,542	5,889,197	169,637,975	618,338,858
" 26,..	199,372,437	20,425,504	5,514,139	168,315,904	576,253,989
April 2,..	203,993,131	19,526,665	5,708,908	171,151,297	676,372,745

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan.*, 1863, $38,231,700; *Jan.*, 1862, $38,231,700.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,..	$76,805,343	$7,503,889	$9,625,043	$32,525,679	$12,831,000	$12,351,500
" 11,..	77,747,734	7,531,195	10,185,615	31,524,185	12,703,600	11,019,000
" 18,..	75,877,427	7,464,511	9,963,389	31,151,240	12,041,000	11,769,000
" 25,..	74,146,000	7,440,000	9,729,000	30,893,000	11,106,700	12,227,000
Feb 1,..	73,959,175	7,385,413	9,660,163	30,655,782	10,825,000	11,854,500
" 8,..	71,765,122	7,265,104	9,579,020	30,030,292	11,315,000	12,272,000
" 15,..	71,088,849	7,224,924	9,741,471	30,412,647	11,615,000	13,448,000
" 22,..	71,074,000	7,215,500	9,411,000	31,831,000	11,329,600	14,925,400
" 29,..	72,189,003	7,179,310	9,371,440	33,155,888	12,224,603	16,189,724
Mar. 7,..	72,687,363	7,108,519	9,606,318	33,688,017	12,313,829	16,535,992
" 14,..	72,105,111	7,052,181	9,490,311	33,891,204	12,704,181	17,315,231
" 21,..	73,207,121	7,033,721	9,548,211	35,090,181	13,092,531	17,266,741
" 28,..	73,485,514	7,016,086	9,210,096	34,859,508	13,352,706	17,071,732
April 4,..	71,838,506	6,856,708	9,442,082	32,861,609	13,601,005	15,786,091

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan.*, 1863, $11,740,080; 1862, $12,970,130.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,...	$35,698,808	$4,158,585	$2,055,811	$29,878,920	$4,316,763	$2,963,563
" 11,...	35,458,967	4,158,235	2,050,891	30,484,227	4,001,473	2,814,188
" 18,...	34,896,842	4,158,125	2,044,427	31,194,851	4,330,120	3,063,148
" 25,...	34,849,959	4,103,065	2,047,846	32,354,253	3,500,693	2,905,921
Feb. 1,...	34,345,126	4,108,109	2,055,582	32,027,147	3,453,431	3,271,306
" 8,...	34,146,677	4,102,671	2,066,069	31,033,030	4,080,059	2,461,873
" 15,...	34,590,880	4,102,748	2,069,061	29,911,704	4,322,609	2,080,750
" 22,...	35,059,676	4,102,588	2,119,488	30,783,741	4,463,751	2,099,778
" 29,...	35,519,704	4,102,848	2,167,348	31,435,753	4,837,264	2,114,227
Mar. 7,...	35,913,334	4,102,632	2,208,492	31,712,547	5,323,316	2,116,042
" 14,...	35,956,678	4,099,707	2,808,250	32,511,405	5,508,146	2,333,819
" 21,...	36,412,923	4,099,664	2,340,132	32,835,038	6,933,974	2,428,227
" 29,...	36,695,415	4,096,401	2,357,768	33,156,496	5,791,191	2,724,935
April 4,...	37,262,220	4,095,495	2,390,092	34,404,607	5,641,638	3,425,805

LONDON MONEY MARKET—BANK OF ENGLAND, &C.

THE course of events in Europe has produced singular fluctuations in the course of the banks of both France and England, causing a rapid rise and fall in the rates of interest. At the date of our last number, the rate had been 8 per cent, and it has since been reduced to 6 per cent, although the causes of the advance still remain in active operation, and will soon, in all probability, induce a return to as high, if not higher, rates. These causes are mainly, as we have stated many times before, the results of our war, which, withdrawing from the markets of the world a value of cotton equal to $200,000,000 per annum, threw upon distant and chiefly new sources of supply, a demand which they have been enabled to supply only at greatly advanced prices. The amount of money which Europe has been required to pay for that raw material is indicated in the following table, the values imported into Great Britain for each of the last three years:

	E. Indies.	Brazil.	Egypt.	Other countries.	Total.
1861.....	£9,459,556	£690,100	£1,546,897	£386,445	£12,082,998
1862.....	22,042,487	1,676,741	3,723,440	2,429,150	29,871,768
1863.....	27,180,111	1,911,005	7,601,211	8,510,121	45,202,448

Thus, India has drawn $135,000,000, Egypt $38,000,000, and new countries $40,000,000. It has been the case, as usual with all new enforced business, that specie only is taken in payment for this vast amount of cotton; and of specie silver has been the chief article in demand, for the reason that in India, on account of certain religious and superstitious ideas, as well as long habits, that metal is the favorite. The following exports of the metals have resulted from Great Britain:

EXPORTS OF SPECIE FROM GREAT BRITAIN.

	E. Indies.	Brazil.	Other countries.	Total.
1862	£12,629,830	£452,392	£16,243,969	£29,326,191
1863	12,289,430	1,731,037	12,523,573	26,544,040

This large movement could not, as a matter of course, take place without causing a severe drain upon the banking resources, and to an extent which required great caution on the part of the banks.

But besides this drain, by reason of the cotton purchases, there have been other causes at work which have helped to disturb the European money market. During the first three years of the war an immense decrease took place in the amount of money employed in the manufacturing business, as a consequence of the diminished supply of the raw material. On this account money became very abundant, and the more so because all over the world there were held overstocks of manufactured goods, which suddenly rose in value and were remitted home in greater profits. That circumstance caused money to be more abundant, and counteracted to some extent the new demand for cotton. It has, however, now nearly ceased, leaving the full weight of a growing demand for cotton to fall upon the exchanges.

Meantime, the abundance of money in England caused it to seek new channels for employment, and an immense number of new commercial enterprises were projected to operate with British capital in all quarters of the world. This sudden home abundance of capital gave an impulse to events that have long been in course of development. It is evident, since the general peace of 1815, that the nations of Western Europe and North America, by developing manufactur-

ing industry to a marvelous extent, each surpassing the other in some peculiarities of natural resources or mechanical aptitude, were rapidly reaching a point where international intercourse would be restricted by similarity of productions; for, when the surplus products of each nation should come to closely resemble each other, interchange would cease. Hence the trade of agricultural or tropical countries has become more and more important to the great manufacturers who require supplies of raw materials on the best terms, while at the same time they seek more extended markets for their products. Intercourse with the United States has been maintained by the ever increasing supplies of materials and food which have been furnished hence to the manufacturers of England and Europe. The working up of the materials thus obtained has largely employed the capital of England.

At the same time rail-roads, the telegraph, steam, the attractions of gold and other circumstances, have prepared the way for more extended knowledge of remote countries, and have supplied the means of reaching them regularly and promptly, while they have called forth a more migratory spirit among all nations. The newly opened countries have presented capabilities that attracted the enterprising, but the means of employing and rightly directing local labor have been wanting. The great international exhibitions, which have been furnished with samples of the products of all quarters of the world, have given a spur to a new class of enterprises.

When the American blockade cut off the supplies of cotton, rice and tobacco, a large capital in England was thrown out of employment, and money became there, as we have said, very cheap. At the same time the necessities of the case impelled the greatest exertions to find supplies of cotton elsewhere, and all countries likely to supply cotton were ransacked without much success. Out of this necessity, however, has grown a more extended action. The cheap capital of England has been forming itself into companies for the development of tropical productions in the most remote quarters. India is, at present, the object of most of the enterprises, but the West Indies are also attracting attention. The large capital flowing from London over the most distant countries, carries with it a germinating power destined to cause broad streams of increasing wealth to flow back into the warehouses of Great Britain and the world.

Among the numerous joint-stock associations which are in England daily being announced, in order to take advantage of the ease of the money market, it is highly satisfactory to find that a considerable number of useful undertakings have been projected. Banks, railways and hotel companies have long received an undue share of the floating capital seeking investment. But the far-off fields of culture, where, with careful management and proper supervision, large remunerative returns might be obtained with a small outlay of capital, now take their places.

This class of companies will soon occupy an important position in the English stock market; but, whatever may be result to the stockholders, it is very evident that the markets of the world will soon feel the effects of the increased production of all that class of productions; and with the restoration of peace, a broader foundation for commercial enterprise and wealth will be found to exist, and cannot but act favorably upon the future of America.

It is here evident how much the forced withdrawal of capital from American cotton trade has fostered other and remote British interests, making very large demands upon capital.

It is not only in their distant enterprises, however, that capital has sought new employment. The greatest development has been given to joint-stock banking in and around London. It is known that the Bank of England has the sole right to issue notes within an area of sixty miles round London, but banks of deposit multiply without much limit, doing business with the notes supplied by that bank. Ten years back the number of London joint-stock banks was six, and the total deposits only about £22,000,000. The present list includes the business of two old established private banks,—Messrs HEYWOOD and Messrs HANKEY, who have amalgamated with the Consolidated Bank, the deposits of which amount to £4,006,558,—but with this exception it is not believed that the amounts in private hands have been diminished. On the contrary, they are understood to have steadily increased, like those in the joint-stock banks, so that the augmented figures now exhibited with respect to the latter may be accepted as a simple illustration of the rapid development of the commercial and financial powers of the country. As regards the Bank of England, the deposits held ten years ago was about £14,300,000, and it is now £20,140,000 :—

Banks.	Year Established.	Subscribed Capital.	Paid-up Capital.	Deposits.	Guarantee Fund.	Dividend per An. P.Cent.
London & Westminster	1834	£5,000,000	£1,000,000	£15,629,094	£275,953	30
London Joint-Stock	1836	3,000,000	600,000	14,056,781	279,579	20½
Union Bank of London	1839	3,000,000	*780,000	16,472,278	110,000	15
London and County	1839	1,500,000	600,600	9,634,638	100,000	18
City	1855	1,000,000	417,820	3,525,975	130,000	12
Bank of London	1855	600,000	300,000	4,179,294	112,000	15
Metropolitan and Provincial (Limited)	1861	1,000,000	200,000	784,108	6,000	5
Alliance Bank of London and Liverpool (Lim.)	1862	3,000,000	595,745	2,788,093	54,000	6
Imperial (Limited)	1862	1,000,000	199,950	606,439	3,000	5
Consolidated (Limited)	1863	1,494,070	597,628	4,006,558	20,000	12½
English & Irish (Limited	1863	502,200	75,320	256,485	nil.	...
London & South-Western (Limited)	1863	387,500	58,125	152,618	nil.	...
Total		21,483,770	5,424,588	71,792,311	1,090,532	...

This large amount of deposits, of over $350,000,000, in the London Joint-Stock Banks, in addition to $100,000,000 in the Bank of England, and $250,000,000 in private banks, makes the vast sum of $700,000,000 on deposit in London.

It is not a matter of surprise that this vast amount seeks an outlet in profitable employment elsewhere, but, at the same time, the sending it out of the country involves an export of coin, which is the basis of all values. The only mode in which that export of coin may be checked is by raising the value of money, and directing the measure against those interests which are most nearly allied to the export movement. Under these circumstances, where such a vast volume of capital is to be guided, the fluctuation is great. If the flow of a rivulet is checked its waters may rise a few feet in a few days; if the Hudson river

* £8 per share added to the reserved profits amounting to £180,000.

is dammed its waters may rise twenty feet in an hour. Thus, in England, the volume of the capital is very large, and not only that, but the facility of communication has brought all the capital of Europe into prompt sympathy with the London market. If the rate rises to 8 per cent, the telegraph carries the news to every point of Europe, even to India, in an hour, and from every available point capital seeks the new rate, while the English out-flow stops. The accumulation is rapid, and the rate promptly drops, only, however, to rise again with the fact of cheap money. The Bank of England returns are as follows:—

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 2,...	21,685,732	7,233,894	12,924,545	31,980,889	13,048,475	8 per ct.
" 9,...	20,801,207	8,629,856	12,981,276	32,622,659	13,008,617	8 "
" 16,...	20,882,764	9,103,788	13,265,068	32,303,049	13,675,474	7 "
" 23,...	20,273,799	10,266,546	12,711,637	32,270,286	14,217,067	7 "
" 30,...	20,686,538	10,841,991	13,021,212	33,438,154	14,362,605	7 "
Jan. 6, '64	21,822,804	10,001,982	13,052,604	33,486,952	14,196,754	7 "
" 13,...	21,396,420	5,264,097	15,411,794	31,726,575	11,708,597	7 "
" 20,...	21,445,793	5,689,074	13,879,877	31,445,860	12,974,109	8 "
" 27,...	20,875,825	6,837,246	13,406,627	31,017,449	13,022,220	8 "
Feb. 3,...	21,162,626	6,748,867	13,372,981	31,486,334	13,303,243	8 "
" 10,...	20,708,118	7,254,682	12,882,226	36,928,317	13,472,271	7 "
" 17,...	20,696,172	7,079,789	13,306,156	31,078,328	13,582,635	7 "
" 24,...	20,207,871	8,153,601	12,426,673	30,504,827	13,819,412	6 "

At the close of February, the diminished bullion demand for India, and the easier state of the money market in Paris, partly consequent on the recent issue of $10,000,000 in 50f notes, led to a reduction in the inquiry. In face of the increasing resources of the bank, the directors had no option but to lower the rate of discount, which now stands at 6 per cent. The constant though moderate addition to the stock of bullion, and the gradual strengthening of the reserve, had induced most persons to expect this alteration, and to reserve for the lower rate the bills they desired to discount. There has been, therefore, rather more business since Thursday, although the supply is ample for all present wants. On the best bills, the outside rate is perhaps ¼ below the terms of the bank, and there is in some quarters the usual sanguine disposition to look forward to still cheaper money, now that the course of the stream in the opposite direction has been so far arrested.

Bank of France.—The general circumstances of the cotton trade which have borne so heavily upon the English Banks have been no less burdensome to those of France, heightened in some degree by the political condition of Europe, which has, as is usually the case in times of disturbance, promoted hoarding of the metals. The general circumstances of the case have induced M. Leon Say to suggest to the French Government that a Commission should be appointed to inquire into the present monetary crisis. M. Felix Vernes, whose name is well known in the banking world, writes to the *Journal des Debats* to combat the proposition, on the ground that the cause of the crisis is perfectly well known,—namely, the large exports of the precious metals to pay for cotton in India and Egypt. M. Vernes says, moreover, that the crisis is not peculiar to France, but common to all Europe, and that in France there is but one remedy for it—the augmentation of the rate of discount of the Bank of France. The *Journal des Debats*, however, in opposition to M. Vernes, insists that an inquiry is desirable, and it suggests that it should be made as searching and complete as

those which are from time to time instituted by Committees of the English Parliament. It also recommends that it should comprise the question of a plurality of banks.

This latter question relates particularly to the Bank of Savoy, which claims to have the right of issuing notes in France like the Bank of France, while the Bank of France contends for a monopoly of the right. This question is, therefore, pending before the tribunal of public opinion, and excites great interest on account of its intrinsic importance, and also because it is supposed to have some bearing on the existing monetary crisis. It involves a scientific problem, which, though solved in England and the United States, is still far from decided in France,—namely, whether monopoly or liberty is the better; and the solution of it will not only be of great general importance, financially and commercially, but will affect more or less the interests of very powerful individuals. In the discussions to which it has given rise, some of the most eminent men in the economic and banking circles of France have taken part: M. MICHEL CHEVALIER, M. ISAAC PEREIRE, M. EMILE PEREIRE, M. D'EICHTHAL, M. WOLOWSKI, and M. LEON SAY; and even the Minister of Finance, M. FOULD, has raised his voice in the matter. M. MICHEL CHEVALIER takes the liberal view of the question. In a recent article in the *Journal des Debats*, he put the matter very tersely:—"If," said he, "the question be treated in an economic point of view, I want to know how an aristocratic monopoly can be defended when France is democratic? If it be treated in an economic point of view, I want to know how liberty can be refused in banking when it is established in everything else?" As an answer to M. MICHEL CHEVALIER, one of the defenders of the Bank of France presents in a daily newspaper extracts from the works of ROSSI and LEON FAUCHER, in which plurality of banks of issue is condemned.

Meantime, the condition of the Bank of France, the resources of which had run very low under the outward drain, caused much uneasiness. The bank had refrained from raising the rate of interest by reason of the Government loan pending.

The loan restored the means of the bank to some extent, and the institution promoted the abundance of money during a temporary check in the demand for specie for India, by issuing $10,000,000 in 50f. or $10 notes. The last two monthly returns of the institution were as follows:

BANK OF FRANCE.

	Loans.	Specie.	Circulation.	Deposits.	Interest.
January	—fr.751,649,983	fr.169,027,010	fr.813,490,825	fr.159,797,667	7
February	— 705,516,796	182,573,888	775,096,775	160,110,225	7
March	— 642,135,993	195,994,738	746,610,375	142,925,719	6

BANK OF MEXICO.—Certain eminent French bankers and capitalists have not only resolved on starting a bank in Mexico, but have even obtained a provisional concession from General Almonte as chief of Regency, and they count on the support of the new Government about to be set up in that country, and also on encouragement from the French Government. The formation of a Mexican Bank is, regard being had to the peculiar situation of Mexico, one of those projects in which French and English capitalists can co-operate with great advantage. There is, however, in London a proposition for a new and rival bank, which, at the present juncture, would be a misfortune.

THE LOAN ACT OF MARCH, 1864.

We give below an official copy of the new loan act, and also the resolution passed authorizing the Treasurer to dispose of gold.

[Public—No. 15.]

"An Act supplementary to an act entitled 'An act to provide ways and means for the support of the Government,' approved March third, eighteen hundred and sixty-three.

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That, in lieu of so much of the loan authorized by the act of March third, eighteen hundred and sixty-three, to which this is supplementary, the Secretary of the Treasury is authorized to borrow, from time to time, on the credit of the United States, not exceeding two hundred millions of dollars during the current fiscal year, and to prepare and issue therefor coupon or registered bonds of the United States, bearing date March first, eighteen hundred and sixty-four, or any subsequent period, redeemable at the pleasure of the Government after any period not less than five years, and payable at any period not more than forty years from date [in coin] and of such denominations as may be found expedient, not less than fifty dollars, bearing interest not exceeding six per centum a year, payable on bonds not over hundred dollars annually, and on all other bonds semi-annually, in coin; and he may dispose of such bonds at any time, on such terms as he may deem most advisable, for lawful money of the United States, or, at his discretion, for Treasury notes, certificates of indebtedness, or certificates of deposit, issued under any act of Congress; and all bonds issued under this act shall be exempt from taxation by or under State or municipal authority. And the Secretary of the Treasury shall pay the necessary expenses of the preparation, issue, and disposal of such bonds out of any money in the Treasury not otherwise appropriated, but the amount so paid shall not exceed one-half per centum of the amount of the bonds so issued and disposed of.

"Sec. 2. *And be it further enacted*, That the Secretary of the Treasury is hereby authorized to issue to persons subscribed on or before the twenty-first day of January, eighteen hundred and sixty-four, for bonds redeemable after five years and payable twenty years from date, and have paid into the treasury the amount of their subscriptions, the bonds by them respectfully subscribed for, not exceeding eleven millions of dollars, notwithstanding that such subscriptions may be in excess of five hundred millions of dollars; and the bonds so issued shall have the same force and effect as if issued under the provisions of the act to 'authorize the issue of United States notes and for other purposes,' approved February twenty-six, eighteen hundred and sixty-two.

"Approved, March 3, 1864."

RESOLUTION AUTHORIZING SECRETARY OF TREASURY TO DISPOSE OF GOLD.

[Public Resolution—No. 18.]

"Joint resolution to authorize the Secretary of the Treasury to anticipate the payment of interest on the public debt, and for other purposes.

"*Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Secretary of the Treasury be author-

ized to anticipate the payment of interest on the public debt, by a period not exceeding one year, from time to time, either with or without a rebate of interest upon the coupons, as to him may seem expedient; and he is hereby authorized to dispose of any gold in the Treasury of the United States not necessary for the payment of interest of the public debt: *Provided*, That the obligation to create the sinking fund according to the act of February twenty-fifth, eighteen hundred and sixty-two, shall not be impaired thereby.

"Approved, March 17, 1864."

STATISTICS OF TRADE AND COMMERCE.

FLOUR AND GRAIN FOR 1863.

RECEIPTS AND SHIPMENTS AT CHICAGO, OSWEGO, DETROIT, BUFFALO, ALBANY AND MONTREAL, AND IMPORTS INTO GREAT BRITAIN.

THE past year shows diminished receipts of flour and grain at nearly all points. This is owing in part to the diminished foreign demand for our breadstuffs, and in part, also, to the damage the new crop of corn received by frost, making the receipts of corn since September 1st very light. Oats have commanded so high a price as to increase the quantities sent forward.

CHICAGO.

The following tables show the receipts and shipments of flour and grain in Chicago during the past four year:

TOTAL RECEIPTS OF FLOUR AND GRAIN FOR FOUR YEARS.

	1860.	1861.	1862.	1863.
Wheat, bu	14,568,429	17,539,909	13,728,116	11,180,344
Corn, bu	15,487,966	26,543,233	29,449,328	26,450,508
Oats, bu	2,029,906	1,883,258	4,138,722	9,139,525
Rye, bu	295,436	479,005	1,038,825	839,760
Barley, bu	623,005	417,129	872,053	1,098,346
Total	33,004,742	46,862,534	49,227,044	48,708,483
Add flour into wheat.	3,500,030	7,230,865	8,331,953	7,371,420
Total	36,504,776	54,093,219	57,558,999	56,079,903

The following table shows the shipments of flour and grain for four years past:

TOTAL SHIPMENTS OF FLOUR AND GRAIN FROM CHICAGO FOR FOUR YEARS.

	1860.	1861.	1862.	1863.
Wheat, bu	12,487,684	15,788,385	13,808,898	9,341,881
Corn, bu	13,743,172	24,186,382	29,452,610	24,444,147
Oats, bu	1,039,799	1,655,384	3,112,366	7,574,994
Rye, bu	129,156	422,492	871,796	835,133
Barley, bu	290,211	185,298	532,195	668,735
Total	27,690,002	42,237,936	47,777,865	42,864,890
Add flour into wheat.	3,566,695	7,125,445	8,699,245	7,683,455
Total	31,256,697	49,363,381	56,477,110	50,548,345

The following table shows the shipments of all kinds of grain from Chicago for the past twenty-six years:

SHIPMENTS OF FLOUR (REDUCED TO WHEAT) & GRAIN, FROM CHICAGO FOR TWENTY-SIX YEARS.

Years.	Wheat, bu.	Corn, bu.	Oats, bu.	Rye, bu.	Brl'y, bu.	Total bu.
1838.....	78	....	....	....	....	78
1839.....	3,678	....	....	....	....	3,678
1840.....	10,000	....	....	....	....	10,000
1841.....	40,000	....	....	....	....	40,000
1842.....	586,907	....	....	....	....	586,907
1843.....	688,907	....	....	....	....	688,907
1844.....	923,494	....	....	....	....	923,494
1845.....	1,024,620	....	....	....	....	1,024,620
1846.....	1,599,819	....	....	....	....	1,599,819
1847.....	2,136,994	67,185	38,892	....	....	2,243,201
1848.....	2,286,000	566,460	65,280	....	....	3,001,740
1849.....	2,192,809	644,848	26,849	31,453	....	2,769,111
1850.....	1,387,989	262,013	186,054	22,872	....	1,830,989
1851.....	799,380	3,221,317	605,827	19,997	....	4,646,291
1852.....	941,470	2,757,011	2,030,317	127,028	17,315	5,873,141
1853.....	1,680,998	2,780,253	1,748,493	120,275	82,162	6,412,181
1854.....	2,744,860	6,837,899	3,239,987	148,421	41,153	12,932,320
1855.....	7,110,270	7,547,678	1,888,533	92,032	20,132	10,633,700
1856.....	9,419,365	11,129,658	1,014,547	19,051	590	21,583,221
1857.....	10,783,292	6,814,615	316,778	17,993	....	18,032,678
1858.....	10,909,248	7,498,312	1,498,134	127,008	7,569	20,035,166
1859.....	10,759,359	4,217,654	1,174,177	478,162	131,449	16,753,795
1860.....	16,054,879	13,743,172	1,039,779	129,156	290,211	31,256,697
1861.....	22,918,830	24,186,882	1,655,384	422,492	185,293	49,368,880
1862.....	23,902,765	29,451,610	3,112,666	871,796	582,195	56,477,111
1863.....	17,925,336	24,444,147	7,574,994	835,133	668,735	50,548,345

OSWEGO.

The *Oswego Times* gives the following as the receipts of grain at Oswego from Lakes Michigan, Huron and Erie, for the year 1863:

	Wheat.	Corn.	Oats.	Barley.	Rye.
Welland Canal.....	7,037,233	1,808,800	48,515	98,837	52,192
Welland Railway.....	909,053	720,460	58,600	29,258	....
L. Huron & Buffalo Railway.	161,984	123,533	....	....	7,118
Collingwood..... ...	107,508	23,449	....	....	....
	8,215,778	2,676,242	107,151	128,095	59,310
Leaving for Lake Ontario....	569,647	125	325,996	1,791,572	57,045
Total..... ...	8,785,425	2,676,367	433,147	1,824,667	116,355

The total amount of grain received by the above routes for the last two seasons have been as follows:

	1862.	1863.
Welland Canal.....	11,367,609	9,045,618
Welland Railway.....	2,071,914	1,717,871
Buffalo and Lake Huron Railway.....	1,296,601	292,635
Collingwood.....	257,273	130,957
Lake Ontario.....	1,885,517	2,654,385

DETROIT.

We find in a late number of the *Detroit Tribune* a carefully prepared statement of the flour and grain trade of that city for the year 1863, and from it we have made up the following general table showing the receipts and shipments of flour, wheat, corn and oats for the past six years:

	FLOUR.		WHEAT.	
	Receipts.	Shipments.	Receipts.	Shipments.
1858.....	592,287	505,917	886,618	791,879
1859.....	605,640	478,918	858,037	739,236
1860.....	862,175	809,519	1,814,951	1,607,757
1861.....	1,321,149	1,261,289	3,005,111	2,705,067
1862.....	1,543,886	1,445,458	3,593,242	3,419,942
1863	1,143,148	1,033,150	2,174,726	1,862,901

	CORN.		OATS.	
	Receipts.	Shipments.	Receipts.	Shipments.
1858.....	236,212	182,587	....	....
1859.....	403,055	132,487	178,864	24,816
1860.....	638,698	592,044	399,598	319,205
1861.....	1,036,506	989,309	819,986	253,157
1862.....	608,861	342,887	407,247	151,204
1863.....	353,295	139,616	662,926	465,057

The following statement shows the total receipts of grain and flour, reduced to bushels, for the past five years:

Total bushels—	1859.....	4,177,856
do	1860.....	6,441,639
do	1861.....	10,514,286
do	1862.....	11,827,000
do	1863.....	8,527,666

The receipts of flour at the Grand Trunk junction, near the city, which we have not taken into the account, would make a difference of about 400,000 bushels.

BUFFALO.

The flour and grain trade of Buffalo for 1863, reducing the receipts of flour to wheat, shows a deficiency, as compared with 1862, of 8,190,498 bushels, and, as compared with 1861, an increase of 3,208,433 bushels. There is a deficiency in the receipts of wheat as compared with 1862, of 9,195,483 bushels; corn, 4,201,675 bushels; rye, 369,275 bushels; an increase in oats of 4,697,255 bushels; barley, 218,325 bushels. There is an increase in the receipts of flour in 1863 of 132,067 barrels over 1862, and 818,498 barrels over 1861. The following will show the receipts of flour and grain at Buffalo by lake and Buffalo and Lake Huron Railway (not including the receipts by State Line Railway, which are large) from the opening of navigation in 1861, and from January 1st in 1862, 1863, to December 31st, in each year respectively:

Years.	Flour, bbls.	Grain, bu.	Grain & flour in bush.
1858.....	1,536,109	20,002,444	21,812,980
1859.....	1,420,333	14,429,069	27,530,722
1860.....	1,112,335	31,521,786	37,053,115
1861.....	2,159,591	50,662,646	61,460,601
1862.....	2,846,022	58,642,344	72,872,454
1863.....	2,978,089	49,713,245	64,603,690

ALBANY.

The following are the receipts of breadstuffs at Albany, by the Erie and Champlain Canals, each of the last four years:

Years.	Flour, brls.	Wheat, bush.	Corn, bush.	Oats, bush.	Barley, bu.	Rye, bu.
1860....	1,149,100	11,176,000	14,155,500	6,490,900	2,967,600	332,100
1861....	1,493,238	39,886,687	23,342,334	5,978,338	2,235,840	332,792
1862....	1,826,509	32,667,866	28,709,882	5,990,028	2,562,659	748,897
1863....	1,560,800	22,206,900	20,703,600	12,437,500	3,190,500	470,500

TOTAL TIDE WATER RECEIPTS FOR FIFTEEN YEARS.

	Grain, bush.		Grain, bush.		Grain, bush.
1849.....	11,786,690	1854.....	23,796,038	1859.....	18,048,798
1850.....	11,585,619	1855.....	21,613,904	1860.....	41,122,100
1851.....	16,762,613	1856.....	30,793,225	1861.....	62,275,951
1852.....	19,583,375	1857.....	16,141,310	1862	74,811,377
1853.....	19,316,019	1858.....	23,686,374	1863.....	66,713,000

MONTREAL.

The *Montreal Witness* gives the following statement of the quantities of pro-

duce received and shipped in 1863 from that city. The statement includes arrivals by Lachine Canal and the Railways; also, exports *via* Portland, in sea-going vessels by St. Lawrence River, and by Montreal and Champlain R.R., from 1st January to 30th December, 1863, with aggregates for previous years:

	Receipts.			Shipments.		
	1863.	1862.	1861.	1863.	1862.	1861.
Wheat, bushels.	5,506,324	8,529,622	7,829,684	3,806,306	6,945,815	5,900,100
Peas, do .	667,345	584,679	1,409,859	774,442	727,277	1,409,859
Barley, do .	294,524	236,930	132,749	640,380	373	2,457
Oats, do .	373,463	96,792	122,399	3,001,766	8,072	287,877
Corn, do .	855,328	1,661,611	1,565,477	635,387	1,774,347	1,477,114
Rye, do .	32,278	82,665	24,812	170	200	....
Flour, barrels..	1,173,096	168,174	1,081,160	692,868	632,052	654,966
Oat and Corn Meal, brls....	1,789	2,426	21,221	9,353	4,089	32,015

GREAT BRITAIN AND IRELAND.

The following, prepared from the British Board of Trade returns, is a statement of the imports of wheat, Indian corn and flour, into the United Kingdom (Great Britain and Ireland), in each of the last four years. The wheat and corn are in "quarters," which signifies eight bushels, this being considered in dry measure a quarter of a ton. The flour is in "hundredweights," or 112 lbs. The total only of the Indian corn is given; but the greater part of it came from the United States:

IMPORTS INTO THE UNITED KINGDOM.

	1861.	1862.	1863.
	Qrs.	Qrs.	Qrs.
Wheat from Russia.....	1,041,461	1,327,158	1,046,378
do Prussia.....	1,027,738	1,450,484	1,017,807
do Denmark.....	228,157	145,398	128,155
do Mecklenburg.....	122,248	93,161	88,800
do Hanse Towns.....	214,146	156,701	73,013
do France	180,903	224,835	84,034
do Turkey and Danube.....	231,044	390,068	95,811
do Egypt.....	339,811	759,936	555,290
do United States.....	2,507,744	3,724,770	2,008,703
do British America.....	549,525	861,452	483,230
do Other Countries.....	476,043	336,267	111,275
Total Wheat.....	6,912,815	9,469,270	5,622,501
Indian Corn, Qrs.....	3,090,352	2,738,791	2,971,872
	Cwts.	Cwts.	Cwts.
Flour from Hanse Towns.....	279,609	256,973	996,216
do France.....	460,775	790,040	1,367,938
do United States.....	3,794,865	4,499,534	2,531,822
do British America.....	805,339	1,108,591	883,352
do Other Countries.....	812,350	551,975	129,648
Total Flour.....	6,152,938	7,207,113	5,218,976

COMMERCE OF THE SANDWICH ISLANDS.

Our interest in the prosperity of the Hawaiian Islands increases each succeeding year. Their position, in fact, is so important to our Pacific coast that we could never consent to see the islands pass into the control of Great Britain, or any other European power. With moderate watchfulness, this need never be feared; for American enterprise and capital are fast outstripping all other nations there, and binding that country more and more closely to us. We have just received the official returns of the trade of the Hawaiian Islands for 1863,

from which it appears that more than half of the total duty-paying goods imported into those islands during the year came from the United States. The following shows the total foreign imports, dutiable and free:

FOREIGN IMPORTS.

GOODS PAYING DUTY.

Imported from	Value.
United States, Pacific side...	$304,502 12
United States, Atlantic side.	122,770 00
Bremen.....	194,429 11
Great Britain.....	68,400 17
Vancouver's Island.....	32,210 52
Sea.....	6,291 87
Islands of the Pacific.....	6,457 19
Total.....	$730,060 98

GOODS AND SPIRITS BONDED DUTIABLE.

Imported from	Value.
United States, Pacific side...	$36,617 43
United States, Atlantic side.	40,827 18
Bremen.....	62,850 81
Great Britain.....	9,227 04
Vancouver's Island.....	2,277 94
Sea.....	179,454 10
Islands of the Pacific.....	5,468 22
Sitka.....	4,585 70
Total.....	$341,308 42

	Dutiable.	Free.
Total imports at Honolulu.....	$1,071,369 40	$95,537 72
" " Lahaina.....	3,553 49	1,942 16
" " Hillo.....	1,561 17	1,068 80
" " Kawaihae.....	25 89	439 62
Total.....	$1,076,509 95	$98,973 30
Making the total value of imports.....		$1,175,493 25

The total exports during the year amounted to $1,025,852 74, being an increase of nearly one quarter over 1862. Exports of sugar increased from three million pounds, in 1862, to five millions two hundred and ninety-two thousand pounds, in 1863. This important staple promises to be the chief production of the Islands.

In our last number, in the article on "Steam on the Pacific," we referred to this subject, and showed that climate and soil were just what was necessary, and that they only needed capital and cheap labor to become one of the principal sources of the world's supply. Now that the production has really begun in earnest, we believe it must increase rapidly: foreign capital will flow in, and the necessary labor can be obtained from China. We see, among the new articles of export, cotton set down at 3,122 lbs., this year, most of which is said to have been choice Sea Island.

The following table, for which we are indebted to the editors of the Honolulu *Commercial Advertiser*, shows the commerce of the Sandwich Islands for the last eighteen years:

COMMERCE OF THE THE SANDWICH ISLANDS, FROM 1856 TO 1863.

Year.	Total Imports.	Total Exports.	Domestic Produce Exported.	Foreign Merchandise Re-exported.	Total Custom House Receipts.
1863	$1,175,493 25	$1,025,852 74	$744,413 54	$281,439 20	$122,752 68
1862	998,239 67	838,424 61	586,541 87	251,882 74	107,490 42
1861	761,109 57	659,774 72	476,872 74	182,901 98	100,115 56
1860	1,223,749 05	807,459 20	480,526 54	326,932 66	117,302 57
1859	1,555,558 74	931,329 27	628,575 21	302,754 06	132,129 87
1858	1,089,660 60	787,082 08	529,966 11	257,115 97	116,188 23
1857	1,130,165 41	645,526 10	423,303 91	222,222 91	140,777 03
1856	1,151,422 99	670,824 67	466,278 79	204,545 88	128,171 75
1855	1,383,169 87	572,601 49	274,741 67	297,859 82	158,411 90
1854	1,590,837 71	585,122 67	274,029 70	311,092 97	152,125 58
1853	1,401,975 86	472,996 83	281,599 17	191,397 66	155,650 17
1852	759,868 54	638,395 20	257,251 69	381,143 51	113,001 93
1851	1,823,821 68	691,231 49	309,828 94	381,402 55	160,602 19
1850	1,035,058 70	783,052 35	536,522 63	246,529 72	121,506 73
1849	729,839 44	477,845 81	279,734 74	198,192 07	83,231 32
1848	605,618 73	300,370 98	266,819 43	33,551 55	55,568 94
1847	710,138 52	264,226 63	209,018 53	57,208 07	48,801 25
1846	598,382 24	363,750 74	301,625 00	62,325 74	56,506 64

Year.	Oil and Bone Transhipped.—Galls. Sperm.	Galls. Whale.	Lbs. Bone.	Number National Vessels.	Merchant Vessels. No.	Tonage.	Number Entries Whalers.	Gallons Spirits Consu'd.
1863	56,687	675,344	337,043	7	88	42,930	102*	7,862
1862	12,522	460,407	193,920	7	113	48,687	73*	8,940
1861	20,435	795,988	527,910	7	94	45,962	190*	9,676
1860	47,859	782,086	572,900	10	117	41,226	325*	14,295
1859	156,306	1,668,175	1,147,120	5	139	59,241	549*	14,158
1858	222,464	2,551,382	1,614,710	10	115	45,875	526*	14,637
1857	176,306	2,018,027	1,295,525	10	82	26,817	387*	16,144
1856	121,294	1,641,579	1,074,942	9	123	42,213	366*	14,779
1855	109,308	1,436,810	872,954	13	154	51,304	468*	18,318
1854	156,484	1,683,922	1,479,678	16	125	47,288	525*	17,537
1853	175,396	3,787,348	2,020,264	7	211	59,451	535*	18,123
1852	173,490	1,182,738	3,159,951	8	235	61,065	519*	14,150
1851	104,362	909,379	901,604	7	446	87,920	220	9,500
1850	.....	.....	.....	12	469	90,304	237	8,252
1849	.....	.....	.....	12	180	.....	274	5,717
1848	.....	.....	.....	6	90	.....	254	3,443
1847	.....	.....	.....	4	71	.....	167	3,271
1846	.....	.....	.....	17	65	.....	...	6,491

* These figures give the number of Custom House *entries* of Whalers at various ports—some of the vessels entering at several different ports during the year. The actual number of different Whalers during the Spring of 1863 was 36 vessels, and during the Fall season 44—total, 80.

A SUCCESSFUL INSURANCE COMPANY.

A PROPERLY written history of the world's mercantile operations would gradually work more and more into a history of the insurance system. It is profitable then to turn to the record of a single successful corporation, and note the increasing favor it yearly commands. And for such a company we point to the Washington Insurance Company.

This Company commenced business in December, 1850. with a capital of $200,000, under the management of its present efficient president, who was its founder, and who has given it his undivided attention from the start. The result is shown in its perfect management and success. During the first eight years it paid $288,000 in dividends to stockholders, being an average of sixteen per cent per annum. In 1860 its capital was doubled, from $200,000 to $400,000, and the Participation System adopted "the *safest and cheapest system of insurance.*" The Company also added the business of insuring in land marine risks on the lakes and rivers and canals. Since then it has divided $180,000 among stockholders, and has also made *three* dividends in scrip of sixty per cent on the earned premiums of policies entitled to participate, *being the largest scrip rebate made by any company for three consecutive years.*

The gross premiums of the Washington for the fiscal year ending January 31, 1864, were $206,314. The Company paid a five per cent dividend in August last, which, with the eight per cent now announced, makes thirteen per cent for the year to stockholders.

Since the removal of the Washington, in May, 1862, from Wall street, to the splendid building erected by Dr. ELEAZER PARMLY, on the corner of Broadway and Maiden Lane, it has largely increased its business.

We refer to the success of the Company with pleasure, and do not hesitate to recommend it to those who are in want of insurance against loss or damage by fire, or the risks of inland navigation on the lakes, rivers or canals. Mr. SATTERLEA, the President, Mr. WESTON, the Vice President, and Mr. LOTHROP, the Secretary, are well known to the public as efficient and reliable men.—*Commercial Advertiser.*

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

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THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

MAY, 1864.

OUR NATIONAL FINANCES.

CONTRACTION VS. INFLATION.

Our National Finances, how they can and should be managed so as to avoid, if possible, the disasters which threaten—is a question of the greatest interest and importance to us at the present time. Ever since this war began we have labored, by appealing to history and to reason, as well as by foreshadowing the disaster that must inevitably flow from a depreciated paper currency, to impress upon our readers the importance of sound financial principles. To fail in the war we are now carrying on is, as all will admit, no trifling matter, and yet the whole issue in the event of its being prolonged, will depend upon our financial policy. Let any of our readers ask himself, what will be our position in a year from now with even the same comparative rise in paper money prices, (or, more properly speaking, depreciation in the currency) we have experienced the last six months. It will not do to charge this rise to speculation as many delight to do. We will grant there is speculation in every commodity, and common sense teaches, and history shows us, that this speculation will increase-four fold; for it is caused by the very inflation that is now going on. It may receive temporary checks; but unless the cause is removed, it will break out again, more wildly than ever, until the whole bubble bursts. The present is simply illustrating what the past has proved—that when the standard of value is once lost sight of or interfered with by government action, there is no safety—prices must rise—speculation must reap a harvest.

But the errors of the past are not now what we have to do with, for nearly all reflecting men are at length alive to them, and the only question is, how shall we best return to or approach correct principles; how can the impending difficulties be avoided. This unanimity of sentiment as to the past is certainly a favorable indication, promising well for the future. It is not too late to save ourselves, but the disease requires prompt action and severe remedies. All then who are in earnest in this war, all who desire the success of the government and the overthrow of the rebellion, in a word, all who seek their countries welfare, should act

together at once, and see to it that some correct financial policy is adopted without delay.

And, in considering financial matters, it should be remembered that any remedy proposed must not only contemplate a cure, but also provide the ways and means for the support of government. Our daily wants are large, and must be met. And yet one thing is clear—they must not be met by further issues of government paper. *Inflation* is the cause of our present distress, *contraction* alone will be the cure. Increasing the amount of circulation, or multiplying banks, and giving them the privilege of issuing notes, cannot be condemned in too strong terms. The plea of necessity will not stand since no such necessity exists, for the required funds can be easily raised, as has been demonstrated the past year.

Nor will any relief be found in knocking down the price of gold; that only aggravates the difficulty. The rise in this metal is not the cause of the rise in prices as all know, but is merely a result of the same cause that appreciates all values. Speculators may for a time be able to carry the price up unduly, the same as they may that of butter or any other commodity, but it cannot be a permanent rise; nor can any unnatural depreciation in its value be permanent. Gold has a fixed value throughout the civilized world, and the idea that the few handfuls in Wall Street are to change it, is novel. If by law or government acts we force its value below its true value, it will leave the country only the faster, seeking the point where it is worth more. Or, on the other hand, if speculators run it up beyond its true value, it will flow into the country and not flow out. Gold like every other commodity always seeks the market where the highest prices for it rule. These principles are so plain and self-evident, and have been repeated and enlarged upon in these pages so often that they are as familiar to our readers as household words.

Then, again, no hesitating or doubting policy will work a cure. There must be a radical change, and that at once. Suppose we hesitate and wait until, for instance, there has been a battle on the Potomac. Of course we all hope and expect it will result in a victory. Yet the past should teach us that the event of any battle is uncertain. Should we then be unfortunate in it, is there not danger of a financial panic, and who can tell the consequences in the present feverish state of the money market. The only safety is to act at once.

It should be remembered, also, that this change of policy involves high rates of interest. Money can be borrowed at five or even one per cent if sufficient greenbacks are emitted to flood the market; and with the money thus obtained we can have the pleasure of paying one hundred per cent more for supplies. But when this currency is being retired of course the rates of interest must rise and prices fall. The government, therefore, to obtain the necessary funds, will have to increase the rate of interest on its bonds from time to time, but will be compensated many times over in the fall in prices. We would refer our readers to the Commercial Chronicle and Review in this number of the Magazine for a faithful history of the effect on prices, &c., of the government financial measures, and from the figures there given one may easily see how we have thoughtlessly allowed ourselves to be carried down the stream, our fears being quieted by an apparent prosperity, abundance of money and low rates of interest. It is evident too from the facts stated, showing the effects of the present system, what would be the effect now of contraction. Hence the first step

in a sound financial system must be to raise the interest on our loan to six per cent, and retire a part of the currency obtained by negotiating it.

Another point we must bear in mind at this time is that the disease is of long standing, and the remedy, therefore, must be a severe one. All will be called upon to make sacrifices in some respect greater than have yet been made. There is wealth enough in the country to carry on this war for years, if that wealth is only brought out by proper taxation, and there is no doubt that the country is not only ready for it but earnestly desires it. As we stated in the early part of 1862, "we cannot and do not expect, at this time of peril to our country, to keep all we would like, we must choose that which is most precious to us, without which, our existence as a nation would be worthless; we must save this first, and the rest afterwards, if we can. We must have subordination to our government; we must have its laws upheld and its authority maintained; we must have peace in our homes and prosperity in our market-places, and whatever it costs *we must pay for them. But let it be with the preventive ounce rather than with the curative pound.* Let us remove our mountain, one load at a time; let us eat our peck of sand grain by grain, and both will be gone before we know it.

"For years, taxation has been held up, like a scarecrow on a pole, to frighten generation after generation of men; but, like most other bugaboos, when you walk boldly up to it and grasp it, 'tis but the semblance of a horror; it has flapped in the wind long enough, and scares us no more. On the contrary, we begin to like it. The physic that a well man rejects with disgust, he swallows with gladness when he is sick; and our big pill has been transformed into a great bon-bon. We had so much rather be taxed than to be impoverished; so much sooner pay a tithe of our income this year, than not to get any at all next year; we so much prefer to be 'hard up' now, than to be hard down by and by, that we clamor for taxation as the best blessing of life."

Had this taxation been laid then, we should have escaped many of our present troubles.* Still it is not too late even now to save the country from the financial disaster that threatens. Let us, therefore, have no child's play about it. Our finances can only be put upon a sound basis by a thorough system of taxation giving us a revenue of at least $400,000,000. Less might have done two years ago, but we must now pay for past folly and fun.

Another feature of the new system must be the taxation of all State and national bank circulation out of existence. Much has been said of late in regard to the inflation caused by State Banks. Even the Treasurer has charged, in a letter written to the Committee on Ways and Means, that the present rise in prices is due to these persecuted institutions, but at the same time is exerting himself to the utmost to obtain the passage of bills through Congress extending the circulation of United States Banks, and granting them all kinds of privileges. Such acts, coupled with such professions, we cannot understand. If State bank circulation is an evil, certainly it is not mitigated by transferring that circulation to United States Banks, and increasing it. We have no objection to these new banks if the country wants them, but we do object decidedly to persecut-

* We published in the February number (1864,) an article by the Hon. AMASA WALKER, on this subject of taxation which contains very many valuable suggestions.

ing the old tried institutions of the land that have served us so well in times past; and further, we protest most earnestly against allowing these new pets at a moment like this to infest the land with their circulation like the frogs of Egypt. To the country at the present time belongs all the advantages of this mode of borrowing. Greenbacks, and greenbacks only, should be our currency till the war is ended. Whatever interest is to be made in this way, should be saved by Government, and not given away to banks. The country can not afford to spend one penny more than is absolutely necessary with the strictest economy. Our financial condition is critical, but not past remedy if the proper means are used at once and without fear or favor. Let us, therefore, treat all banks alike, and while the government is required to retire a part of its circulation, require them to retire all of theirs. Corporations as well as individuals must expect to make sacrifices at the present time.

Such, then, is a faint outline of what we believe should be our financial system at the present time, or, more correctly speaking, of the remedies required to cure the present evils. It may be feared by some that sufficient means cannot be thus obtained to support government while a portion of the currency is being retired. We think it is very clear that no such difficulty could arise.* The past has shown the ability of the government to sell its bonds, and if it will only raise its interest the demand for them can be very greatly increased. Then, too, a large portion of the expenses will be paid by taxation. If we raise four hundred millions in this way as proposed, a greatly increased revenue will be secured for the government, its credit will be improved and the demands for its bonds became more extensive. But besides all this, the retiring of a portion of the government currency and of all the circulation now issued by the banks, will reduce the government expenses at least one third by reason of the fall in prices that will ensue, and thus our finances may be gradually placed upon a sound basis.

Much more might be said—the ideas we have thrown out might be extensively enlarged upon, but we think we have said enough to show that our national disease is not incurable, and yet to indicate the absolute necessity there is for prompt and earnest action. We trust and pray that those who manage our country's affairs at the present time may see the dangers by which we are surrounded, and act before it is too late.

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* If any difficulty should arise in obtaining the necessary funds (which we cannot believe possible,) it would be only temporary and during the first stages of a change of policy. In such case relief could be found by issuing one or two year Treasury notes, with interest high enough to make them in demand as a temporary investment, taking away from them the legal-tender feature of the present issues, but permitting their conversion, principal and accrued interest, into legal-tenders on certain notice. Thus the use of a very large portion of the deposits in our banks would be obtained by government.

COMMERCIAL LAW. No. 12.

PARTNERSHIP.—*Continued.*

REMEDIES OF PARTNERS AGAINST EACH OTHER.

It is seldom that a partner can have a claim against another partner, *as such*, which can be examined and adjusted without an investigation into the accounts of the partnership, and, perhaps, a settlement of them. Courts of law have ordinarily no adequate means of doing this; and therefore it is generally true that no partner can sue a copartner at law for any claim growing out of partnership transactions and involving partnership interests. But the objection to a suit at law between partners goes no further than the reason of it; and, therefore, one may sue his copartner upon his agreement to do any act which is not so far a partnership matter as to involve the partnership accounts.

If the accounts are finally adjusted, either partner may sue for a balance; and so it would be if the accounts generally remained open, but a specific part of them were severed from the rest, and a balance found on that. The rule is generally laid down, that an action cannot be sustained by a partner against a partner for a balance, unless there is an express promise to pay it. But such promise would, we think, be inferred in all cases in which an account had been taken, and a balance admitted to be due.

In Massachusetts, and perhaps elsewhere, any action at law between partners can be maintained, provided a rendering of judgment in this action will completely terminate all partnership matters, so that no further cause of action can grow out of them.

What a court of law cannot do, however, in this respect, a court of equity can; and, generally, equity has a full jurisdiction over all disputes and claims between partners, and may do whatever is necessary to settle them in conformity with justice.

Whether a court of equity will order an account without decreeing dissolution, may not be quite settled; because, in the great majority of cases, these ought to go together. But we think that an account would be decreed, and a balance struck, without a decree of dissolution, if the circumstances were such as made a dissolution unnecessary or inequitable.

A partner may sue his copartner for money advanced before the partnership was formed, although the loan was made to promote the partnership. And for work done for the firm before he became a member of it, he may sue those who were members when he did the work. And he may sue a copartner on his note or bill, although the consideration was on partnership account; but, in general, no action can be maintained for work and labor performed, or money expended for the partnership.

It is now quite certain that a partner who pays more than his proportion of a debt of the partnership cannot demand specific contribution from his copartners, but must charge his payment to the firm. The reason is, that they may have claims against him on other accounts, and they must be all settled together to strike the balance.

If one of a firm be a member also of another firm, the one firm cannot sue the other; for the same person cannot be plaintiff and defendant of

record. A cannot sue A; and therefore A, B, & C cannot sue C, D, & E. And although the fraud of a copartner, as in negotiating a note, or in any similar transaction, if brought home to the party dealing with him, constitutes a good defence for the firm, they cannot institute an action founded upon the fraud, as, for instance, to recover property or documents fraudulently passed away, because the fraudulent copartner would have to be co-plaintiff in the action. In all these cases an adequate remedy may be found in a court of equity.

If a firm have a negotiable note which it cannot sue, because one of its own firm is liable upon it, and must be made defendant, it can indorse the note over, and the indorsee may sue it in his own name, as we have before stated.

The partners are entitled to perfect good faith from each co-partner: and a court of equity will interfere to enforce this. No partner will be permitted to treat privately, and for his own benefit alone, for a renewal of a lease, or to transfer to himself any benefit or interest properly belonging to the firm. And so careful is a court of equity in this respect, that it will not permit a co-partner, by his private contract or arrangement, to subject himself to a bias or interest which might be injurious to the firm, and conflict with his duty to them, but will declare void any contract of this kind.

RIGHTS OF THE FIRM AGAINST THIRD PARTIES.

The principles of agency apply to cases of partnership so far, that, if one borrows money of a person who is a copartner, and who lends the money of his firm, either this copartner or the firm may bring an action for it, although the borrower did not know that the firm lent it; the firm standing in the relation of an undisclosed principal, as stated in the article on Agency. So, if a partner sells the goods of the firm in his own name, they may sue for the price. But the rights of one who deals in good faith with a copartner, as with him alone, are so far regarded, that he may set off any claim, or make use of any other defences against the suit of the firm, which he could have made had the person with whom he dealt sued alone.

Therefore, if A honestly bought goods of a firm from a partner whom he supposed to be sole owner of them, and paid him the price, the firm could not recover this price from the buyer, although the seller sold the goods fraudulently, and cheated the firm out of the money.

A guaranty to a copartner, if for the use and benefit of the firm, gives to them a right of action.

A new firm, created by some change in the membership of an old firm, is entitled to the benefit of a guaranty given to the old firm, even if sealed, provided it shall distinctly appear that the instrument was intended to have that effect.

RIGHTS OF CREDITORS IN RESPECT TO FUNDS.

The property of a partnership is bound to pay the partnership debts; and, therefore, a creditor of one copartner has no claim to the partnership funds until the partnership debts are paid. If there be then a surplus, he may have that copartner's interest therein, in payment of his private debt.

If a private creditor attaches partnership property, or in any way seeks to appropriate it to his private debt, the partnership debts being unpaid, he cannot hold it, either at law or in equity. Such attachment or appropriation is wholly subject to the paramount claims of the partnership creditors,

and is wholly defeated by the insolvency of the partnership, although the partnership creditors have not brought any action for their debts.

Hence, if a creditor of A attaches his interest in the property of A, B, & Company, and a creditor of A, B, & Company attaches the same property, the first attachment is postponed to the second; that is, it has no effect until the debt of the second creditor is fully satisfied, and then it is good for the surplus of property. It seems, however, that, if one partner is dormant and unknown, the creditor of the other attaching the stock is not postponed to the creditor who discovers the dormant partner and sues him with the other; unless the first attaching creditor's claim has no reference to the partnership business, and that of the second attaching creditor has such reference.

Whether the converse of this rule is true, and the partnership creditors are restrained from appropriating the private property of the copartners until the claims of their private creditors are satisfied, is not, perhaps, entirely settled. But this is certainly the rules in courts of equity. And although at law the practice has not been so, and there are strong remarks and decisions against it, yet some recent adjudications indicate that the rule may be established at law.

It seems inequitable that a private creditor of a partner cannot interfere with that partner's interest in the partnership property until all the partnership debts are paid, but that a partnership creditor may attach the private property of partners just as well as he can the partnership property. We think the law ought to be, and that it is now tending to become this. A partnership is a kind of body by itself, somewhat like a corporation. It has its own funds, and its own debts. The individual members may also have each his own funds, and his own debts. The funds of the partnership should first be applied to the debts of the partnership; and if there be any surplus, the members have it, and their creditors get it. So the private funds of each member should first be applied exclusively to the payment of that person's private debts; and when they are wholly paid, the surplus should go to the partnership creditors, because each partner is responsible for the partnership debts. This rule prevails on the continent of Europe very generally.

It is now quite certain that the levy of a private creditor of one copartner upon partnership property can give him only what that copartner has; that is, not a separate personal possession of any part or share of the stock or property, but an undivided right or interest in the whole, subject to the payment of debts and the settlement of accounts; including also the right to demand an account.

As to how such levy and sale of the interest of one copartner shall be made by the sheriff, there is much diversity both of practice and of authority. Upon principle, we think the sheriff can neither seize, nor transfer by sale, either the whole stock or any specific portion of it. He should, we think, without any *actual seizure*, sell all the interest of the defendant partner in the stock and property of the partnership; much in the same way in which he would sell his right to redeem a mortgage, or any other incorporeal right, subject to attachment. The purchaser would then have a right to demand an account and settlement, and a transfer to him of any balance or property to which the copartner whom he sued would have been entitled.

In those jurisdictions where attachment on the writ is allowed, the

question whether the sheriff may seize and retain possession of the partnership property, upon an attachment issued by a creditor or one partner, presents still greater difficulties. Probably, however, such seizure and retention would be allowed wherever a seizure on execution is allowed. Where such seizure is not allowed, it may be impossible for the creditor to secure his debt by attachment, without the aid of statutory provisions specially adapted to the purpose.

Where the trustee process, or process of foreign attachment, is in use, perhaps the better way would be for the sheriff to return a general attachment of all the interest of the debtor in the partnership property, and summon the other partners as the trustees of the debtor.

It must be stated, however, that the rules of law in regard to the liability of partnership property for the private debts of partners, and as to how any liability may be enforced, are, at present, somewhat obscure and uncertain.

THE EFFECTS OF DISSOLUTION.

If the dissolution is caused by the death of any partner, the whole property goes to the surviving partners. They hold it, however, not as their own, but only for the purpose of settlement; and, therefore, they have, in relation to it, all the power which is necessary for that purpose, and no more. If they carry on the business with the partnership funds, they do so at their own risk, and the representatives of the deceased may require their share of the capital, and choose between calling on them, in addition, for interest, or for a share of the profits.

The survivors are not partners, but tenants in common (joint owners) with the representatives of the decreased of the stock or property in possession; and have all necessary rights to settle the affairs of the concern and pay its debts. After a dissolution, however caused, one who had been a partner has no authority to make or indorse notes or bills with the name of the firm, even if he be expressly authorized to settle the affairs of the firm. There must be a distinct authority to sign for the others who were formerly partners. A parol authority will be sufficient, even if the general terms of the partnership had been reduced to writing.

Whether a court of equity will give to partnership creditors a remedy, against the representatives of a deceased partner, when there is no insolvency, may be doubted. Formerly, the creditor could go only against the surviving partners, if solvent, and when they paid, they must look for their indemnity to the representatives of the deceased; but if the firm were insolvent, then the creditors might go at once against the representatives of the deceased, because each partner, and all his property, is bound for the whole debt of the firm. In England it is now settled, by recent decisions, that a court of equity will permit this resort to the representatives of the deceased, even where there is no insolvency, letting them look to the surviving partners for an adjustment of what they pay, in the settlement of their accounts with them. And though we cannot say that this is settled American law, it seems to us more consonant with the principles of the law of partnership, as now administered.

It is common, where a partnership is dissolved by mutual consent, to provide that some one of the partners shall settle up the affairs of the concern, collect and pay debts, and the like. But this will not prevent any person from paying to any partner a debt due to the firm; and if

such payment be made in good faith, the release or discharge of the partner is effectual.

If all the debts were assigned and transferred to any person, as his property, any debtor who had notice of this would be bound to make payment to this person alone. And if he paid anybody else, he would be obliged to pay the money over again.

It is frequently provided, that one partner shall take all the property and pay all the debts; but this agreement, though valid between the partners, has no effect upon the rights of third parties against the other partners; for they have a valid claim against all the partners, of which they cannot be divested without their consent.

This consent of the creditor may be inferred, but not from slight evidence; thus, not from receiving the single partner's note as a collateral security, nor from receiving interest from him on the joint debt, nor from a mere change in the head of the account, charging the single partner and not the firm. Still, as the creditor certainly can assent to this arrangement, and accept the indebtedness of one partner instead of that of the firm, so it must be equally clear that such assent and intention will bind him, if distinctly proved by circumstances.

LIMITED PARTNERSHIP.

These are unknown in England; but have been introduced into some of our States, by statutes, which differ somewhat in their provisions. Generally, they require, first, one or more *general* partners, whose names shall be known; secondly, *special* partners, who do not appear as members, nor possess the powers or discharge the duties of actual partners; thirdly, the sum to be contributed by the special partners shall be actually paid in; lastly, all these arrangements, with such other information as may be needed for the security of the public, must be verified under oath, signatures of all the parties, and acknowledgement before a magistrate, and correctly published. When these requisites are complied with, the special partners may lose all they have put in, but cannot be held to any further responsibility. But any neglect of them, or any material mistake in regard to them, even on the part of the printer of the advertisement, wholly destroys their effect; and then the special partner is liable for the whole debt, precisely like a general partner. Thus, in a case in Maine, the stock in trade was purchased with the capital advanced by A, under a contract making him a special partner; and it was held that the stock could be attached for the private debt of the general partner, whether the parties had so conformed to the statute as to form a special partnership or not. In another case in Maine, a sole general partner assigned *his* property for the benefit of creditors. It was held that the property of the special partnership did not pass. In a New York case, it was held that a mistake in the publication of the names of the partners, as Argale for Argall, would not vitiate the publication, because the mistake was not calculated to mislead. In another New York case, the day of the commencement of the partnership was stated in the public notice to be November 16, while in the original certificate it was October 16. It was held that the special partners were not liable as general partners, as the error was unintentional, and the plaintiff could not have been affected by it. It was held, also, that if a special partner purchase real estate on account of the firm, or if the title be taken in his name and with his con-

sent, he will be liable as a general partner; but not if his name be used without his consent. In another New York case, the amount contributed by the special partner was by mistake of the printer, stated at $5,000, instead of $2,000, and it was *held* that the associates were liable as general partners, although the plaintiff did not show that he was actually misled by the error. In still another New York case, it was held that an assignment of the partnership property, providing for the payment of a debt due the special partner, rateably with the other creditors of the firm, or before all the other creditors are satisfied in full for their debts, is void as against the creditors; but it would be valid as against the assignor and those creditors who think proper to affirm it.

LETTER TO MY COUNTRY YOUNG FRIEND ON SEEKING A SITUATION IN THE CITY.*

NEW YORK, *April* 15, 1864.

MY YOUNG FRIEND,—You express to me your purpose to seek your fortune, in the way of mercantile pursuits, in the city. As your mind is made up you only seek counsel of the best methods of success in the plans you have laid out for yourself. I am glad to find you in this position, as I have marked it as a fact that no advice or encouragement of friends in the city ever succeeded in making a successful business man of a country boy, who had not the original element of *enterprise* in his own nature. I make it a uniform rule to encourage no one in such a purpose, as you express, who has not enterprise and self-reliance enough to carry him forward, slowly perhaps, but surely independent of his friends. Otherwise, I might charge myself with responsibility for his inevitable failure of success. But in your plans you ask my friendly directions, and such suggestions as my observation and knowledge of the subject, and of those so engaged, may enable me to give, shall be at your service.

You are to learn at the outset that self-reliance is a very different quality from any inflated idea of your self-consequence. If you have supposed there was any magic in city life that can make a great man or eminent merchant out of a very obscure country youth, the sooner you undeceive yourself the better. The sooner you forget the flatteries and attentions of your country friends, as a basis of your hopes, the less you will be disappointed and mortified in discovering the small position and its laborious toils, that must lay the foundation of your success in your proposed under-

* Letters from young men in all parts of the country reach us asking advice as to their future course. To reply to them separately is clearly impossible: nor can one answer be framed that will suit all cases. In the Sketches of the Lives of Eminent Merchants and Bankers, published every other month, good council will be found from which our younger readers will reap advantage if they will only study and follow. What man has done man can do. But, besides these sketches, we endeavor to present, from time to time, words of caution and advice in other forms. The letter we now give furnishes many good practical suggestions of particular value to the class addressed, and will suit the case of some who have written us.—ED. HUNT'S MERCHANT'S MAGAZINE.

taking. It will indeed be well if high and honorable motives and aims shall guide your conduct and prompt your exertions. But modesty and satisfaction with reasonable expectations are, generally, the result of the highest moral qualities of human nature. They indicate a sound judgment—an essential endowment to success in mercantile life. If you come to the city to make your fortune, you should not expect to find it already made to your hands. Success is really the result of humble beginnings, patient perseverance, laborious industry, and a careful improvement of such opportunities as may come in one's way. A person who has no plan, or fixed purpose of life, should remain in the country, where indecision and a lack of enterprise do not leave their possessors so much of a burden to themselves and others. It is pitiable to see young men, with an appearance of ability, come to the city, and wait weeks or months to find situations, while the object of their wishes is made more and more uncertain of attainment, by their intimating views of employment wholly above the situation which an inexperienced youth can fill with profit to his employers. It has been said that there is no royal road to mathematics; there is certainly none to an elevated position in business in our cities; and the young man who, at the outset, is too proud or too indolent to do the drudgery of a porter, will seldom make a competent salesman or a responsible supervisor of a mercantile establishment.

But in seeking a situation, above all things avoid a begging, servile habit or manner, for these annihilate the confidence of others both as to your ability or integrity. Whether just or otherwise, the popular conclusion is, that the mind that has no shame to beg, would steal, if an opportunity offered. Sympathy for one's misfortunes or condition never carries with it a business confidence. True confidence, once established, may survive misfortunes, and sympathy may then command a noble and generous aid; but pity is the last sentiment to be excited in the mind of a stranger, whose interest and confidence is sought to be commanded.

You need not under-rate your ability, nor seek a lower situation than it would naturally command; but a lower situation, with a useful dilligence in the same, is often the only available path to the higher; and is far preferable to none, while waiting for an opportunity to jump into the better place. But, whatever available situation you may obtain, endeavor to learn fully its duties, and to discharge them well, and you will learn in the result that the mercantile world is not ungrateful in its use of any grade of talents. Our trading men are shrewd to discover the mental and moral qualities which fit a man for any particular department of business, and, as a commodity in the market, a person will not fail, if the habit of devotion to business is in him, to meet with those who will appreciate and appropriate his talents, and yield him a just remuneration for his labors. Then, in seeking a situation, the first rule is not to be willingly idle for a single day; and then, to follow the leadings of providence in the exercise of a sound judgment and discretion for the future. Do not imagine that any useful employment is degrading or disreputable in the city. The man who carries a hod, or who drives a cart, is respected not only as a contributor to public and private wealth, but for the personal qualities which his diligence and attention to his calling may show him to possess. It is your country *quidnuncs* who lounge about our city hotels who ridicule "*low pursuits*" and "*small business*," and talk with affected servility and obsequiousness of the great wealth of the Astors and Peter Coopers, and other city millionaires.

Why should beginnings of life, similar to the antecedents of two-thirds of our successful merchants, be despised by them.

Beginning life, as you may find yourself, in the city, struggling to hold on perhaps to the very lowest round of the ladder against the current of poverty and personal necessities which threaten to drive you back to the country, bereft of the last shadow of your cherished hopes, the necessity of the strictest economy of personal expenses will be fully appreciated. A respectable dress and appearance, suited to your business position, cannot be dispensed with. This is due to your employer, and is a part of the consideration for which your salary is paid. And then you must board and associate with people of respectability; certainly with none not of this character. To continue to do this you must keep out of debt. Hence your situation will require the strictest self-denial as to amusements and mere social entertainments. Our churches are sufficiently *free*, where all may spend the Sabbath together without reproach or humiliation on account of differences in worldly condition; and in the Sabbath schools and Bible classes, any well-behaved youth will meet with social kindness and respect, and an appreciation of his intellectual and moral worth.

But while you will find a society within your means that shall be conservative of your highest good, and will not infringe on your moral and pecuniary obligations, it is important that for once, and all time, you deny yourself the amusements and associations of the self-styled fashionable society of the city. A morbid ambition to be admitted into these circles of fashionable life has proved the ruin of thousands of young men who have come from the country to seek their fortune with as honorable motives as your own. While hundreds of prosperous merchants have found it absolutely necessary to remove to the suburbs of New York to avoid the expenses incurred and entailed by Fifth Avenue soirees. How can sensible young men suppose it for their advantage to ruin their credit and the confidence of their employers by courting these expensive associations? These soirees are often gotten up by merchants of shattered credit to divert attention from the premonitions of the crash that is presently to sweep them away.

To a sound business man society of this cast affords neither profit nor pleasure. It is only necessary to add a single suggestion. In whatever employment or pursuit you engage, make yourself contented and cheerful in its duties; fulfil your engagements with punctuality and integrity, to the completion of their full time. Provide for changes for the better to take effect when you shall become free from prior engagements. If you cheerfully complete your contracts, it is an affair of your own whether you will renew it, guided by such experience and knowledge of men and business as you shall have acquired.

J. M. S.

FINANCES OF THE STATES.

(Continued from page 260.)

MASSACHUSETTS.

The revenue and expenses of the State of Massachusetts for the years 1862 and 1863, were as follows:—[This statement includes accounts unpaid as well as paid, accruing in or properly belonging to the years 1862 and 1863, as nearly as can be ascertained.]

	Receipts accruing in and belonging to the years 1862.	1863.
Bank taxes, and other sources....	$1,152,300 71	$4,814,559 80
State taxes.....	1,797,516 00	2,396,561 00
	$2,949,816 71	$7,211,127 80
	Expenses accruing in and belonging to the years 1862.	1863.
Ordinary.....	$929,363 33	$914,734 89
War, &c.....	1,686,552 88	7,280,289 91
Total.....	$2,615,886 11	$8,195,024 70

Below is a detailed statement of the total receipts and disbursements for 1863:

Total receipts from all sources during 1863.

Receipts as above, together with some items received accruing in 1862.....	$7,239,749 18
Receipts on account of various funds—Deposit loans	440,000 00
" " " " Temporary loans	375,000 00
State loan funded debt.....	849,000 00
Union loan sinking fund.....	222,584 28
Western Railroad loan sinking fund.....	40,000 00
Norwich and Worcester Railroad loan sinking fund..	10,000 00
Massachusetts school fund.....	453,305 66
Almshouse sinking fund.....	14,862 50
Allotment rolls.....	888,310 26
Massachusetts volunteers.....	90,147 10
Back Bay Lands fund.....	242,673 97
Sales of Back Bay Lands.....	870,984 00
Notes and mortgages, Back Bay Lands.....	162,333 86
Essex Bridge fund.....	4,226 75
Eastern Railroad Company.....	25,000 00
Norwich and Worcester Railroad Company.....	24,000 00
Troy and Greenfield Railroad Company.....	12,229 00
Commissioners on Public Lands.....	470,735 85
Troy and Greenfield Railroad sinking fund.....	1,727 75
Returned allotments.....	3,360 82
United States Government tax.....	373 49
Alvin Walker, U. S. Paymaster.....	40 00
Museum of Zoology.....	12,207 67
Income Massachusetts school fund.....	101,758 26

Income Indian school fund	75 00
" Rogers' Book fund	67 83
" Todd Normal School fund	332 00
" Charles River and Warren Bridge fund	5,510 66
Charles River and Warren Bridge fund	9,000 00
Rogers' Book fund	1,000 00
Cash on hand January 1, 1863	1,422,512 37
Total receipts from all sources during 1863	$13,993,108 26

Total payments during 1863.

Payments from ordinary revenue on account of expenses for 1863 and previous years	$6,738,099 71
Payments on account of sundry funds—Back Bay Lands fund	98,620 93
Sales of Back Bay Lands	888,605 92
Commissioners Public Lands	401,768 72
Notes and Mortgages, Back Bay Lands	553,331 19
Massachusetts School fund—investments	263,000 00
Western Railroad loan sinking fund—paid commissioners	40,000 00
Norwich and Worcester Railroad loan sinking fund—paid commissioners	10,000 00
Essex Bridge fund—expenses	3,043 68
Norwich and Worcester Railroad Company—paid interest on Scrip	24,000 00
Eastern Railroad Company, paid interest on scrip	25,000 00
Troy and Greenfield Railroad Company—paid commissioners on account of Land Claims, expenses and interest on scrip	290,602 22
Returned allotments—received from sundry sources	3,210 82
Allotment rolls—paid sundry parties	834,656 51
Massachusetts Volunteers—paid sundry parties	60,564 16
Interest on School fund for Indians—paid sundry schools	150 00
Income Todd Normal School fund—paid Treasurer Board of Education	891 00
Todd Normal School fund	5,000 00
Income Charles River and Warren Bridge fund	5,227 00
Income School fund 1861–2	1,466 46
Sale House on Hancock Street	11,840 00
Income School fund 1862–3	98,856 12
Coast Defences	262,861 42
Temporary loans repaid	375,000 00
Volunteer bounty	621,476 86
Military fund	31,380 60
Enlistment of Recruits	77,537 92
Union Loan sinking fund	754,000 00
Cash on hand January 1, 1864, on account of various funds, &c	1,573,417 02
Total payments during 1863	$13,993,108 26

The debt of the State is..... $12,794,862 42

It has been increased during the year $200,000 bounty loan; coast defences, $388,000; Troy Railroad, $209,000. The following is a statement of the debt and liabilities in detail:

Debt and Liabilities December 31, 1863.

Western Railroad Bonds, (interest payable in London or Boston by Corporation).....	$3,999,555 56
Troy and Greenfield Railroad Sterling Bonds, (interest payable in London by Corporation).....	508,380 00
Dollar Bonds.....	625,500 00
Eastern Railroad Dollar Bonds.....	500,000 00
Norwich and Worcester Railroad bonds, (interest payable in Boston).....	400,000 00
Consolidation Statutes Scrip.....	150,000 00
Lunatic Hospital (Taunton,) Scrip—five per cent....	170,000 00
State Almshouse Scrip—five per cent.....	210,000 00
Enlargement of State House Scrip—five per cent.....	165,000 00
Lunatic Hospital (Taunton,) and State Prison Scrip—five per cent.....	94,000 00
Six per cent scrip of 1856.....	201,000 00
Northampton Lunatic Hospital Scrip—six per cent..	200,000 00
Five per cent scrip of 1861.....	53,000 00
Six per cent scrip of 1861.....	247,000 00
Union Fund Loan of 1861.....	3,000,000 00
" " " 1862.....	600,000 00
Back Bay Loan, 1862.....	220,000 00
Bounty Fund Loan, 1863.....	200,000 00
Coast Defence Loan, 1863.....	388,000 00
Deposit Loans.....	440,000 00
Sundry Liabilities.....	119,003 62
Sums due from Treasury and not yet called for.....	33,985 00
Sundry accounts.....	270,438 24
Total debt and liabilities.....	$12,794,862 42

The following is a statement of the resources of the State in detail:

Unproductive Property.

State House and Land—Buildings..	$384,750 00	
Land, 63,250 feet, at nine dollars...	569,250 00	
		$954,000 00
Lunatic Hospital, Worcester—buildings and fixtures.....	$190,000 00	
Land, one hundred and thirteen acres	22,600 00	
		212,600 00
Lunatic Hospital, Taunton—buildings and fixtures.....	$200,000 00	
Land, one hundred & eighty-five acres	16,000 00	
		216,000 00

Lunatic Hospital, Northampton—buildings and fixtures.....	$316,455 68	
Land, one hundred and seventy acres	15,000 00	
		331,455 68
Reform School for boys, Westboro'—buildings.....	$128,273 08	
Original land donated by Mr. Lyman, two hundred and fifty acres, at a cost of $12,500; total land now belonging to the Institution, two hundred and eighty acres.....	18,000 00	
		146,273 08
Nautical School—ship and fixtures,	20,000 00	20,000 00
Industrial School for girls, Lancaster—buildings, fixtures, and one hundred and forty acres of land.....	60,000 00	60,000 00
State Prison, Charlestown—buildings	452,866 94	
About six acres of land.....	250,000 00	
		702,866 94
State Almshouse, Monson—buildings and fixtures.....	$88,492 42	
Land, one hundred & seventy-six acres	12,000 00	
		100,492 42
State Almshouse, Tewksbury—buildings and fixtures.....	$95,470 44	
Land, one hundred & thirty-five acres	8,000 00	
		103,470 44
State Almshouse, Bridgewater—buildings and fixtures.....	$90,304 78	
Land, one hundred and fifty-six acres	9,000 00	
		99,304 78
Rainsford Island Hospital—buildings and fixtures.....	$50,000 00	
Land and wharf.....	5,000 00	
		55,000 00
State Arsenal, Cambridge—buildings	$20,500 00	
Land.....	13,500 00	
		34,000 00
Magazine and Wharf at Captain's Island.....		9,840 00
Warren Bridge.....		50,000 00
Charles River Bridge.....		25,000 00
Malden Bridge.....		8,136 85
Yacht Whisper.....		2,500 00
Weights, Measures, and Balances.....		5,500 00
State Library		35,533 97
Productive Property.		
Debt Extinguishment Fund—Western Railroad Stock,		$1,980,240 00
Union Loan Sinking Fund—Sundry securities.....	$1,766,500 00	
Cash.....	208,058 42	
		1,974,558 42

Bills Receivable—Balance of claim against the United States Government		1,864,818 81
Back Bay Lands' Fund—Estimated value of lands filled and unsold, exclusive of reservations for public purposes, streets, &c., about 866,000 feet, at $1 75 per foot	$1,515,500 00	
Lands unfilled, exclusive of streets, &c. about 285,000 feet, at 66 cents per foot	188,100 00	
Bonds and Notes	453,061 16	
		2,156,661 16
Almshouse Sinking Fund—Sundry securities	$47,500 00	
Cash	30,623 37	
		78,123 37
Cash on hand January 1, 1864		$1,513,417, 02
Total property of the Commonwealth except the funds, the income of which is especially appropriated		$11,839,292 44
Total debt of State, not including liabilities on account of Scrip loaned sundry Railroad Companies		6,627,961 64
Surplus		$5,211,330 80

MAINE.

The receipts from all sources in the State of Maine for the year 1862, have amounted to the sum of $2,062,399 78, and the expenditures to the sum of $1,791,932 84.

	Received.		Expended.
For war purposes	$1,103,058 13	For war purposes	$921,605 76
" soldiers' al't'm's	428,847 78	" soldiers' al't'm's	410,004 29
" civil purposes	530,483 87	" pub. de't. & int.	150,040 00
		" civil purposes	310,282 79
Total receipts	$2,062,399 79	Total exp'ndit'r's	$1,791,932 84
Balance in Treasury Jan. 1, 1863	94,353 54	Balance in Treasury Dec. 31, 1863	364,822 48
Total	$2,156,753 32	Total	$2,156,755 32

State Debt.

The following is a statement of the State debt on the 1st of January, 1864:

The bonded debt of the State of Maine Jan. 1, 1863, was $1,472 000.

On the breaking out of the present war the debt stood as follows:

Debt incurred prior to and during the Aroostook war	$449,000
Debt due for Massachusetts lands bought in 1863	250,000
Total debt prior to the war	698,000
War debt of 1861	800,000
	$1,499,000

Amount paid on debt in 1862.....	27,000	
Leaving the debt, Jan., 1863, as stated above.....		$1,472,000
Amount of war debt added during 1863.....		950,000
Total amount of debt Jan. 1st, 1864.....		$2,422,000

The following are the resources of the State:

Resources of the State of Maine.

Cash in the Treasury January 1, 1864.....		$364,822 48
Balance due on State taxes to 1863, inclusive.....		450,430 09
Securities in the Land Office.		
Bills receivable.....	$44,378 72	
School fund.....	20,869 83	
Bonds.....	18,056 86	
		83,305 41
		$898,557 98

MINNESOTA.

The annexed valuation and taxes of the State of Minnesota are as follows:

Number of acres of land.....		15,295,228
" " " assessed.....		7,486,863
Value at $2 39 cents per acre.....	$17,926,233	
" of structure.....	721,595	
" of lots and structures.....	6,926,142	
" of personal property.....	5,040,931	
Total value.....	$29,832,719	

State tax revenue....	$74,764 80	School tax.....	59,042 16
" " interest.....	58,507 49	County "	181,912 35
Special tax.....	122,279 54	Township tax.....	40,223 45
Town tax.....	6,424 27	City "	5,700 08
Road tax.....	31,501 71	Poor "	1,308 83
Total taxes.....			$578,684 51

These aggregates as compared with previous years are as follows:

	Land per acre.	Real Estate.	Personal.	Total Valuation.	Taxes.
1858..	...	$34,533,144	$7,313,634	$41,846,778	$554,368
1859..	...	28,349,116	7,227,176	35,526,292	505,230
1860..	$340	32,021,913	4,731,495	36,753,408	655,985
1861..	385	34,066,830	5,914,883	39,981,513	658,358
1862..	239	24,791,888	5,040,831	29,832,719	578,648

The receipts and expenditure for the year 1863:

Receipts.		Expenses.	
Taxes.....	$199,884 22	General.....	$450,758 61
United States....	201,732 00	Other.....	125,780 71
Loans.....	101,250 00		
Lands, &c.....	156,442 76		
Total.....	$659,308 98	Total.....	$576,539,32
On hand Jan. 1,'63,	36,495 87	On hand Dec. 31, 1863,	119,325 53

The bonded debt of the State is as follows:

State Loan of July, 1858, for which Bonds were given bearing eight per cent interest, payable semi-annually in New York, principal payable July 1st, 1867.....	$250,000 00
State War Loan of November 1st, 1862, for which Bonds were given, bearing seven per cent interest, payable semi-annually in New York, principal payable in 1872,	100,000 00
Total	$350,000 00

The State Treasurer remarks that the floating indebtedness of the State is still large and the annual expenditures of the State Government are necessarily increasing year after year, while the valuation of taxable property is materially lower than in former years.

No insignificant portion of the States expenses is caused by the depreciation of our State Scrip, which comprises the floating indebtedness, and hence no effort should be spared to cancel these liabilities. Measures should be adopted by the Legislature for the attainment of this object, and then with a continuation of the most rigid economy, in every Department of the State Government, the State will, in a short time, be in a condition to meet every obligation in *cash* the moment it is incurred.

As one means to this end, I would respectfully recommend that the Interest Tax for the coming year be reduced from two mills, as it now is, to one mill on the dollar, and the difference added to the revenue tax, leaving the amount of State tax the same as the past year. This may be safely done, as the State Interest Fund has now a surplus of $8,984, after providing for the Interest due in January and May next.

This, in itself, will not be sufficient to fully cancel, during the coming year, the whole amount of the floating indebtedness, and additional means should be devised to increase the Revenue Tax.

As the amount of money to be apportioned from the General School Fund hereafter, will fully equal the whole amount derived from the two mill School Tax, this tax might be reduced one half and the difference added to the Revenue Tax, still leaving the receipts of the Schools as large as before.

I would also call attention to the fact, that our eight per cent State Bonds for the $250,000 Loan becomes due in July, 1867, and that no provision by the creation of a sinking fund or otherwise, has been made to meet the same.

KENTUCKY.

The revenue and expenditures of the State of Kentucky for the year were as follows:

Receipts 1863.....	$1,667,283 15
Expenditures 1863.....	1,523,849 48
In Treasury Oct. 1863.....	$278,477 90

The debt of the State is as follows:

Stock overdue	6 per cent		$402
" outstanding	5 "		466,000
" "	6 "		2,837,000
" military loan	6 "		1,130,000
" thirty years	5 "		1,326,770
" Board of Education	– –		55,762
Total			$5,815,234
Due individuals		$3,303,402	
" Board of Education		1,381,832	
" Board of Kentucky		1,130,000	
			5,815,234

The valuation of property in the State, for 1863, was as follows:

Land, town lots, negroes, cattle	$369,575,543
Carriages, clocks, watches, pianos	3,392,506
Total 1863	$372,968,049
" 1862	354,917,150
Increase 1863	$18,050,899 00
Taxes for 1863	1,181,683 42
" 1862	1,107,250 99
Increase	$74,432 43

MARYLAND.

The receipts and expenses of the State of Maryland, for the year 1863, were follows:

On hand Sept. 30, 1862		$446,749 19
Receipts for year Sept. 30, 1863		1,870,105 72
		$2,316,854 91
	Expenses.	
State debt	$106,290 29	
" " interest	743,563 44	
" defence	178,955 38	
" expense	257,518 33	
		1,286,327 44
On hand Sept 30		$1,030,527 47

The State debt is as follows:

Tobacco Warehouse	6 per cent	$113,689 67
Penitentiary	5 "	39,259 51
Baltimore & Ohio Railroad	5 "	3,454,624 22
" Washington Rl'd	5 "	489,329 12
Chesapeake Canal	5 "	7,161,449 56
Susquehanna Railroad	6 "	2,157,408 07
Elkridge "	6 "	220,000 00
Tide Water Canal	5 "	1,017,622 00
Eastern Shore "	5 "	152,764 14
Total		$14,807,646 20

Paid by B. & O. Railroad	$3,273,672 22	
Owned by sinking fund	5,649,656 82	
		8,923,329 05
Actual debt		$5,884,317 24
Productive bonds owned by State		$9,289,410 30
Unproductive " " "		16,945,416 04
Total owned by State		$26,234,826 34

The assessed value of the State is as follows:

Assessed value of real and personal property of State of Maryland, with amount of levy thereon, in each County, and Baltimore City, for 1863:

The Counties, and Baltimore City.	Assessed Value of Property. in 1863.	Amount of Levy for 1863.
Alegany County	$8,736,072 00	$21,840 18
Anne Arundel County	7,395,550 00	18,488 88
Baltimore City	128,596,819 00	321,492 05
Baltimore County	21,393,059 00	53,482 64
Calvert County	2,530,366 00	6,325 91
Carrol County	9,516,672 00	23,791 68
Caroline County	2,121,615 00	5,304 05
Charles County	4,463,404 00	11,158 51
Cecil County	7,861,761 00	19,654 40
Dorchester County	4,991,405 00	12,478 51
Frederick County	21,929,182 00	54,822 95
Harford County	6,884,239 00	17,210 60
Howard County	4,344,634 00	10,861 59
Kent County	5,241,297 00	13,103 24
Montgomery County	5,677,063 00	14,192 66
Prince George's County	9,197,575 00	22,993 95
Queen Anne's County	5,608,989 00	14,022 47
Somerset County	5,076,300 00	12,690 75
St. Mary's County	3,611,484 00	9,028 71
Talbot County	5,378,416 00	13,446 04
Washington County	14,312,682 00	35,781 70
Worcester County	4,914,086 00	12,285 22
Total	$289,782,670 00	$724,456 67

OHIO.

The receipts and expenses of the State of Ohio for the year 1863 were as follows:

Receipts	$6,024,422 20
Expenses	5,075,975 20
Balance in Treasury	$948,447 00

The debt of the State of Ohio is as follows:

At the close of the fiscal year, ending with November 15, 1862, the funded debt of the State amounted to	$14,141,562 61

During the year there has been redeemed—

Of the Foreign debt—Loan of 1860....	$346,626	03
" " " " 1856....	1,166	33
" Domestic " " 1863....	29,500	00
" Union loan of 1866.....	297,704	32
" " " 1868.....	1,756	00
Amount redeemed during the year, ending November 15, 1863.....	676,752	68
Leaving outstanding of foreign and domestic debt.....	$13,464,809	93

The outstanding funded debt consists of the following loans:

Loan of 1860, 6 per cent.....	$1,262,279 04
" 1865, 5 "	1,015,000 00
" 1868, 6 "	379,866 00
" 1870, 6 "	2,183,531 93
" 1875, 6 "	1,600,000 00
" 1881, 6 "	4,095,309 47
" 1886, 6 "	2,400,000 00
Total Foreign debt.....	$12,935,986 44

The valuations of property on the Duplicate of 1862, upon which the taxes collected during the fiscal year 1863, were levied, were as follows:

Real estate, not in cities and villages.....	$494,101,182
" " in cities and villages.....	151,568,898
Chattel property.....	243,615,212
Total valuation for 1862.....	$889,285,292

The taxes levied upon this valuation were as follows:

FOR STATE PURPOSES.

General revenue.....	$887,661	13
Sinking fund.....	1,242,727	11
War debt fund.....	310,685	31
State Common School fund.....	1,155,220	99
Volunteer Relief fund.....	533,178	80
Total State taxes.....	$4,129,473	34

TAXES LEVIED BY COUNTY, CITY AND OTHER LOCAL AUTHORITIES.

County tax.....	$1,159,949	34
Bridge "	227,781	54
Poor "	214,466	11
Building "	157,468	90
Road "	211,864	66
For railroad debts of counties, &c. ..	812,204	52
Township tax.....	226,453	84
School and school house tax.....	1,021,011	52

Other special taxes	279,743 04	
City, town and borough taxes	1,322,092 52	
Total local taxes levied in 1862		$5,633,035 99
Total taxes levied		$9,762,509 38
Add delinquencies and forfeitures		312,776 30
Total taxes, delinquencies, &c., on duplicate of 1862		$10,135,285 63

The following shows the valuation and taxation of Ohio for five periods:

GRAND DUPLICATE OF THE STATE OF OHIO, FOR FIVE YEARS, BEGINNING WITH 1858 AND ENDING WITH 1863.

	1858.	1860.	1861.	1862.	1863.
No. of Acres...	25,298,968	25,311,705	25,321,275	25,329,580	25,360,407
Valuation.					
Lands..... ..	$437,183,132	$492,593,587	$494,064,639	$494,101.182	$495,399,666
T'wn & City lots	153,102,815	147,300,724	149,818,913	151,568,898	154,100,356
Chattels.....	250,514,084	248,408,290	248,966,532	243,615,212	286,871,222
Total tax. val.	840,800,031	888,302,601	892,850,084	889,285,292	936,371,244
State Taxes.					
Sinking fund..	1,047,902.00	1,551,575.11	1,247,699.94	1,242,727.11	1,308,614.36
Gen. Rev. fund.	587,206.89	700,326.04	1,247,699.93	887,661.18	934,726.57
S. C'n School fd.	1,259,092.50	1,242,811.78	1,249,054.43	1,555,220.99	1,216,410.78
Dis. Sch'l lib. fd.	83,920.76	.....	.....	.....	.....
Military fund..	.....	.....	311,924.98	310,685.31	327,152.93
Vol. Relief fund	.....	.....	.....	533,176.80	935,703.23
Total St. taxes	2,978,122.15	3,503,712.93	4,056,379.28	4,129,473.34	4,722,607.91
County Taxes.					
County exp'ns's.	1,130,939.20	1,309,137.46	1,326,140.43	1,159,949.34	1,111,957.11
Bridge purp'ses	361,988.66	437,538.40	324,490.49	214,466.11	339,224.64
Poor purposes.	222,471.94	260,607.20	342,225.10	227,781.54	264,159.30
Building " .	320,954.57	228,414.13	261,087.30	157,468.90	83,065.79
Road " .	350,435.08	394,424.77	430,253.85	211,864.66	225,148.98
Railroad "& d't	462,430.35	538,369.50	538,175.85	812,204.52	648,386.99
Total Co. tax's	2,849,219.80	3,169,021.46	3,222,373.02	2,783,735.07	2,671,942.81
Township & City taxes.					
Township exp's	284,051.32	349,360.86	328,286.58	226,458.84	290,234.47
School & S.-h's's	1,438,810.88	1,487,247.44	1,373,862.68	1,021,011.52	1,226,046.35
Special purp's's	216,425.06	349,236.33	535,028.45	279,743 04	1,202,266,60
C'y, T'n, & Bo' "	1,417,391.07	1,506,083.86	1,560,197.88	1,322,092.52	1,455,736.16
T'l T'n&C'y s.t.	3,356,678.33	3,691,928.49	3,792,375.59	2,849,300.92	4,174,284.08
Grand total Co. & local taxes.	6,205,888.13	6,860,949.95	7,014,748.61	5,633,035.99	6,846,226.89
Deling'encies & forfeitures...	572,630.02	453,013.46	535,686.03	372,776.30	290,788.88
Total taxes for all purposes..	9,756,650.30	10,817,976.34	11,656,813.92	10,135,285.63	11,359,573.68

CANADA COMMERCE AND FINANCES.*

THE past year has proved a very satisfactory one to Canada—not only has her revenue increased and her expenditures diminished, but there has been a large increase in exports and a decrease in imports.

COMMERCE OF CANADA.

The whole importations for 1863 amount in value to $45,964,493 and the exports amount to $61,831,532. The following is a statement in detail of the commerce of Canada for 1863, and the totals for 1862:

Name of the Countries.	Value of Exports.	Value of Imports.
Great Britain	$17,463,718	$20,177,572
North American Colonies	935,196	510,713
British West Indies	57,542	182,195
United States of America	22,534,074	23,109,362
Other Foreign Countries	841,002	2,034,651
Total for 1863	$41,831,532	$45,964,493
" " 1862	33,596,125	48,600,633

From the above we see that the balance against Canada in 1862 was about $15,000,000, while in 1863 it was only about $4,000,000. By classifying the exports as follows for the past three years it will be noted that the large increase in 1863 is in great part referable to the exports of the products of the forest—timber and lumber. The last year the articles exported under this head exceeded in value thirteen and one-half millions of dollars. Of this amount $4,397,103 came to the United States.

EXPORTS FROM CANADA—CLASSIFIED.

	1861.	1862.	1863.
Produce of the Mines	$463,118	$702,906	$871,549
do do Fisheries	663,700	703,896	789,913
do do Forest	9,572,645	9,482,897	13,543,926
Animals and their Products	3,681,468	3,923,590	5,502,633
Agricultural Products	18,236,476	15,941,002	13,472,134
Manufactures	289,130	415,827	868,782
Coin and Bullion	244,513	178,997	1,685,403
Other Articles	154,718	242,002	325,649
Total	$33,305,768	$30,690,617	$37,059,989
Value of Ships built at Quebec	1,411,480	988,428	2,287,901
Estimated Amount of Exports, short returned at Inland Ports	1,896,947	1,918,080	2,483,642
Total value of Exports	$36,614,195	$33,596,125	$41,831,532

The following is a comparative statement of the quantity and value of the goods enumerated in the Reciprocity Treaty, the growth and produce of the United States, and imported into Canada during the years 1862 and 1863:

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* We are indebted to Deputy Inspector-General WILLIAM DICKINSON, for copies of the *Trade and Navigation Report*, and report of the public accounts of Canada for 1863, from which this article has been compiled.—ED. HUNT'S MERCHANTS' MAGAZINE.

IMPORTS FROM THE UNITED STATES OF ARTICLES NAMED IN THE RECIPROCITY TREATY.

Articles.	1862. Quantity.	1862. Value.	1863. Quantity.	1863. Value.
Animals.....No.	23,110	$347,936	35,300	$520,835
Ashes.....	.....	24,477	.....	17,549
Bark .....Cords.	1,010	4,118	1,650	6,670
Broom Corn.....	.....	32,299	.....	34,987
Burr and Grindstones.....	.....	15,088	.....	13,795
Butter.....Lbs.	815,500	104,082	644,547	97,171
Cheese..... do	1,937,010	174,456	2,907,680	294,827
Coal.....Tons.	105,905	437,391	103,547	548,846
Cotton Wool.....	.....	56,460	.....	29,928
Dye Stuffs.....	.....	60,976	.....	69,176
Eggs.....Doz.	13,920	1,359	39,938	4,654
Fish.....	.....	158,415	.....	168,570
Fish Oil.....Gals.	226,450	109,630	125,345	112,285
Fish—products of.....	.....	.....	.....	168
Firewood.....Cords.	24,098	47,232	19,384	32,599
Fruit—dried.....	.....	61,113	.....	71,945
Do —undried.....	.....	370,511	.....	379,170
Flax, Hemp and Tow—manufact'd.	.....	106,666	.....	75,464
Flour.....Bbls.	239,130	1,088,679	225,439	898,029
Furs, Skins and Tails—undressed..	.....	119,896	.....	61,896
Grain of all Skins.....Bus.	10,998,720	7,876,919	6,122,692	5,062,610
Gypsum.....	.....	15,333	.....	13,829
Hides, Horns and Pelts.....	.....	350,000	.....	384,951
Lard..... .....Lbs.	582,200	53,381	922,676	81,757
Manures.....	.....	12,516	.....	12,505
Meal.....Bbls.	21,085	44,563	10,000	28,603
Meat of all kinds.....Cwt.	137,270	1,040,269	182,850	1,238,928
Ores of Metals.....	.....	9,618	.....	7,848
Pitch and Tar.....Bbls.	3,206	13,925	2,863	11,158
Plants and Shrubs.....	.....	93,665	.....	93,539
Poultry.....	.....	3,852	.....	4,654
Rags.....	.....	8,991	.....	11,333
Rice.....Lbs.	98,560	2,746	2,044	88
Seeds.....	.....	80,643	.....	87,545
Slate.....	.....	1,819	.....	1,914
Stone and Marble—unwrought....	.....	43,267	.....	57,076
Tallow.....Lbs.	1,445,000	129,516	1,668,831	152,268
Timber and Lumber.....	.....	91,772	.....	62,241
Tobacco—unmanufactured.....Lbs.	6,369,840	842,364	8,769,224	1,327,810
Turpentine.....	.....	.....	.....	64
Vegetables.....	.....	61,218	.....	47,729
Wool.....	.....	333,570	.....	208,858
Totals.....	.....	$14,430,6..	.....	$12,389,367

FINANCIAL.

We stated above that the Canadian financial statement for 1863, presented a more favorable balance than has been the case for several years past. It will be seen from the detailed statement which we give below that the five great sources of revenue, the Customs, Excise, Public Works, Post Office and Territorial Revenue have together produced $7,662,490 98, which exceed the receipts from the same sources in 1862 by $1,104,961 00; the minor revenues of the Consolidated Fund have realized $914,821 02, being an increase upon 1862 of $119,335 10; and the receipts of the Trust Funds and other open accounts have been $1,183,004 34, which is an increase of $127,575 76. Whilst the revenue has thus increased in the aggregate $1,351,871 86, there has been a diminution of

expenditure to the extent of $228,873 47, making a total of $1,580,745 33; but in spite of this great improvement upon 1862, there is still a serious deficiency although very much less than was estimated.

Expenditure less Redemption of Debt	$10,742,807 41
Receipts less sale of Debentures and Sinking Fund	9,760,316 34
Deficiency	$982,491 07

The following is a detailed statement of the entire payments and receipts during the last three years.

PUBLIC ACCOUNTS OF THE PROVINCE OF CANADA.

	Receipts.		
	1861.	1862.	1863.
Ordinary Revenues.			
Customs	$4,774,562 26	$4,652,183 06	$5,171,080 32
Excise	344,665 14	500,313 52	829,801 77
Post Office	357,015 40	391,443 07	438,864 16
Ocean Postage	100,709 45	17,274 14	0 00
Public Works	324,619 63	383,704 21	539,948 99
Provincial Steamers	30,578 35	37,756 98	35,874 07
Territorial	678,922 82	629,886 12	682,795 74
Casual	22,124 39	11,201 09	11,813 60
Quebec Loan	685 26	6 92	294 65
Interest on Investments	489,304 91	394,745 94	362,769 70
Premium and Discount	18,932 67	3,373 31	157,754 04
Bank Imposts	52,374 95	26,421 90	15,417 68
Law Fees	32,514 84	30,267 28	29,524 00
Fines and Forfeitures	24,283 39	22,340 67	14,359 34
Special Revenues.			
Law Fees, Lower Canada	32,480 11	70,276 68	91,731 77
Do Upper Canada	40,826 77	44,198 84	50,535 43
River Police	12,890 25	10,645 72	14,099 54
Mariners' Fund	14,255 18	11,778 56	14,373 24
Passenger Duty, (Emigration and Quarantine)	19,112 00	21,341 00	18,039 00
Railroad and Steamboat Inspection	23,372 33	10,265 97	10,450 95
Fisheries	7,371 85	8,824 61	7,170 80
Shipping Office Fees	860 00	826 00	653 00
Cullers' Office Fees	67,304 25	73,940 31	79,960 21
Debentures, &c.			
Debentures and Stock	2,756,305 59	2,220,759 99	1,702,191 66
Imperial Sinking Fund	.....	.....	2,920,000 00
Sale of Public Work	7,696 99	1,362 10	3,228 33
Guaranteed and Advance Accounts.			
Municipal Loan Fund, U. C.	186,309 00	123,849 20	184,362 62
do do L. C.	93,078 47	6,224 37	170,392 44
Quebec Fire Loan	4,814 55	3,489 29	6,424 05
Law Society	19,936 47	16,312 34	13,341 11
Court House, L. C.	24,224 47	28,163 19	25,392 81
Upper Canada Building Fund	29,169 30	27,738 00	29,943 28
Great Western Railway, Interest Account	24,160 00	24,150 00	25,052 48
Northern Railway, Interest Account	475 00	.....	14,125 00
Grand Trunk Railway, Postal Subsidy Account	.....	.....	39,966 48
Grand Trunk Railway, Advance Account	1,000 00	.....	0 00
Grand Trunk Railway, Special Account	.....	2,567 62	0 00

New Coinage	4,803 27	.....	0 00
Ocean Steam Company	189,619 98	1,225 00	0 00
Improvement Fund, Advance Account	.....	3,486 80	0 00
Montreal Harbor Commission	.....	.....	22,200 00
Investment ex Consolidated Canadian Loan	867,749 38	60,000 00	21,368 41
Consolidated Fund, Investment Account	8,906 00	124,898 63	7,781 68
Trust Funds.			
Tavern Licenses	3,400 99	3,886 60	3,962 15
Lower Canada Building and Jury Fund	.....	2,892 53	29,710 68
Municipalities' Fund, West	298,049 24	177,021 41	132,695 48
Do do East	26,976 07	24,916 79	38,752 38
Education, West	22,110 74	14,668 20	7,887 73
Do East	27,750 13	18,167 10	35,953 07
Common School Fund	111,594 25	207,293 53	128,240 25
Indian Fund	256,629 02	165,789 57	223,409 94
Copy Right Duties	999 67	826 30	672 52
Indemnity to Revenue Inspectors	141 55	.....	341 45
Trust Fund Investment Account	24,400 00	16,400 01	16,800 00
Bursar of University	1,109 13	.....	0 00
Quebec Bishopric	41,878 68	.....	0 00
Provident Savings Bank	102,533 34	.....	0 00
Total	$12,655,581 48	$10,629,204 47	$14,382,508 00

	Payments.		
	1861.	1862.	1863.
Interest on Public Debt	$3,735,789 05	$3,774,314 65	$3,717,733 85
Charges of Management	67,298 91	52,076 65	42,638 36
Exchange	26,666 70	20,754 12	19,611 14
Sinking Fund	119,391 79	166,975 33	182,743 32
Redemption of Public Debt	2,738,872 21	279,830 66	4,166,375 10
Premium and Discount	13,441 35	7,098 03	32,530 66
Civil Goverment	437,285 49	486,620 04	430,527 47
Administration de Justice, East	350,557 54	346,375 78	364,785 72
Do do West	320,176 55	318,312 23	330,530 32
Police	30,548 20	31,179 36	30,831 34
Penitentiary, Reformatories and Prison Inspection	148,046 55	155,612 03	152,190 60
Legislation	463,124 57	482,048 19	627,377 92
Education, East	259,601 91	260,298 75	254,317 86
Do West	247,192 11	273,271 06	274,112 68
Literary and Scientific Societies	17,900 00	16,800 00	14,200 00
Hospitals and Charities	272,041 55	307,686 71	250,942 25
Geological Survey	20,315 09	17,400 00	28,650 00
Militia and Enrolled Force	84,687 60	98,444 70	481,116 17
Arts, Agriculture and Statistics	2,317 00	17,472 01	11,421 82
Census	118,393 77	24,648 46	12,629 24
Agricultural Societies	102,620 21	103,348 58	105,696 11
Emigration and Quarantine	48,435 57	54,323 56	57,406 32
Pensions	34,509 38	42,473 03	40,460 49
Indian Annuities	35,420 00	26,620 00	43,820 00
Public Works and Buildings	1,036,240 45	421,053 03	474,712 40
Rents, Repairs, etc., do	39,572 05	97,041 71	39,247 07
Roads and Bridges	181,668 81	259,582 99	119,627 72
Ocean and River Steam Service	432,022 73	507,944 48	511,356 40
Light House and Coast Service	110,462 08	103,522 14	102,724 75
Fisheries	27,842 00	25,215 76	22,758 47
Redemption of Seigniorial Rights	224,133 46	379,849 22	222,608 18
Culling Timber	68,399 06	68,576 03	76,827 00

Railway and Steamboat Inspection	15,113 17	15,020 40	10,577 85
Advances	411,668 43	223,462 02	89,518 78
Municipalities' Fund, East and West	445,314 27	313,384 58	142,133 86
Indian Fund	99,726 07	112,819 35	131,939 55
Subsidiary Lines	340,000 00	80,590 00	.....
Reception of His R. H. the Prince of Wales	63,225 29	.....	.....
Miscellaneous	45,849 91	64,099 20	68,469 26
Collection of Revenue:			
Customs	363,401 44	379,402 81	364,947 33
Excise	31,779 87	35,173 74	36,613 58
Post Office	442,521 19	436,586 51	431,906 71
Public Works	279,006 92	313,823 47	236,761 91
Territorial	277,503 93	135,797 75	79,767 67
Fines and Forfeitures	14,380 59	11,716 99	7,627 82
Minor Revenues	1,092 00	754 14	413 03
Special Funds	97,777 46	91,523 31	70,694 05
Total Payments	$14,742,884 28	$11,395,923 56	$14,909,182 51

DEBT OF CANADA.

The total debt of Canada is $65,238,649 15, and the total annual interest is $3,483,920 38. The rates of interest are as follows:

Rates of Interest.	
Bearing 4 per cent	$4,380,000 00
do 4½ per cent	14,600 00
do 5 per cent	34,315,215 71
do 6 per cent	26,500,203 47
do 8 per cent	28,629 97
Total debt	$65,238,649 15

The following is a detailed statement of the debt when payable, &c.:

Years of Maturity.	Currency debentures in Canada.	All currency debentures in England.	Grand Totals.
Past due	$27,750 00	.....	27,750 00
1864	9,000 00	$1,460,000 00	1,469,000 00
1865	48,010 00	2,100,940 00	2,148,950 00
1866	1,627,704 50	1,153,400 00	2,781,104 50
1867	1,840 00	4,866 67	6,706 67
1869	.....	2,433 33	2,433 33
1870	42,400 00	.....	42,400 00
1871	349,635 21	.....	349,635 21
1872	610,948 43	135,293 33	746,241 76
1873	224,422 00	.....	224,722 00
1874	133,500 00	1,725,233 33	1,858,733 33
1875	63,870 00	.....	63,870 00
1876	221,266 66	1,348,066 67	1,569,333 33
1877	48,313 33	545,553 33	593,866 66
1878	10,820 00	1,252,193 33	1,263,013 33
1879	.....	7,612,926 67	7,612,926 67
1880	.....	6,116,426 67	6,116,426 67
1881	91,736 67	1,331,033 33	1,422,770 00
1882	.....	2,665,473 33	2,665,473 33
1883	133,025 00	1,139,773 33	1,272,798 33
1884	.....	1,362,180 00	1,362,180 00
1885	.....	31,530,444 06	31,530,444 06
No fixed date	107,869 97	.....	107,869 97
	$3,752,411 77	$61,486,237 38	$65,238,649 15

LETTERS OF E. G. SPAULDING TO MORRIS KETCHUM.

BUFFALO, March 19, 1864.

MORRIS KETCHUM, Esq., Banker, New York:

DEAR SIR:—When I met you in New York, in December last, you expressed the apprehension that the rate of interest on government securities would be reduced to five per cent, that there would be a further inflation of the currency, and consequently that gold would advance, and the price of labor and commodities would be greatly increased. The apprehensions which you then expressed are now being realized, and the government and people are alike feeling its effects. By reducing the rate of interest from six to five per cent, one per cent interest is apparently saved to the government on its notes and bonds, but all the flour, beef, pork, and other supplies for the army and navy have advanced ten to fifteen per cent, thereby making it necessary for the government to pay ten to fifteen per cent more for all supplies purchased, while it saves only one per cent on its notes and bonds.

Five per cent bonds, running from five to twenty years, can, no doubt, be floated on the market nominally at par, if the currency is sufficiently diluted and the volume increased large enough for the purpose; and so may four per cent bonds be carried on the surface, if the currency is paid out in such a large volume as to still further dilute the government paper already afloat. But if this should be successfully carried out, and four per cent bonds be negotiated at par in consequence of a further expansion of the currency, gold would advance to 90 or 100 per cent, and all commodities for the army and navy would advance in the same proportion. What would be saved in the rate of interest would be lost fourfold on the enhanced price of all supplies purchased to carry on the war.

Five per cent interest, payable in currency, which has been the rate since the twenty-first of January last, for redeeming legal-tender notes, is a most exhilerating atmosphere to be reveled in by speculators and jobbers, but very unsatisfactory to men of steady purposes, who are engaged in manufactures, commerce, and other legitimate pursuits. With such a money market all articles consumed by laborers advance in price, rents increase, skilled laborers and common laborers combine and strike for higher wages, in order to be able to pay for the enhanced prices of living, caused by the excess of proper issues.

In order to illustrate what I have to say further on this subject, you will, I trust, allow me to make a brief review of the laws of Congress bearing upon the increased price of labor and commodoties, and the advance in the price of gold. Gold and silver, as you well know, are the standard of value in conducting the commerce of the civilized nations of the world. The commerce of the United States is still carried on with all the foreign nations with gold as the standard or measure of value.

The laws of Congress, passed in 1792, fixed the gold standard in the United States, for the ten dollar eagle, at 247 grains and four eights of a grain of pure gold, and half the quantity for the half eagle. The law

of Congress, passed in 1837, changed the gold standard established in 1792, by providing that the standard of both gold and silver should be such, that of one thousand parts by weight, nine hundred parts should be pure metal, and one hundred of alloy; that the alloy of silver should be of copper, and the alloy of gold coins should be of copper and silver. That the weight of the gold eagle should be two hundred and fifty-eight grains, that of the half eagle one hundred and twenty-nine grains, and that the eagle should be a legal tender for ten dollars, and the half eagle for five dollars. This was the *standard of value* up to the time when the legal-tender bill was passed.

The original legal-tender note bill introduced by me as a necessary war measure, and which was approved by the President February 25th, 1862, changed the standard of value, not with the world at large, but within the United States, by authorizing the Secretary of the Treasury to issue $150,000,000 of United States notes to circulate as currency, making them lawful money, and a legal-tender for all debts public and private, and providing for their redemption at all times at the Treasury Department in five-twenty six per cent bonds—interest payable semi-annually in coin; and further authorizing the issue of $500,000,000 of these bonds for that purpose. This was not the issue of an irredeemable currency. There was a fixed standard and measure of value for the redemption of all these legal-tender notes, as they should be issued and re-issued from time. That standard was five twenty-six per cent bonds—principal and interest payable in gold. Every person who should receive these notes voluntary, or by compulsion, knew exactly what he could do with them. He knew that the laws of Congress provided that he should have gold-bearing bonds for all the notes taken by him. The redemption in this case was not gold *on demand*, as formerly, but six per cent *interest* in gold every six months, and the principal payable in gold within twenty years. This was the standard of value fixed by the legal-tender note bill. It was in effect a *forced loan* from the people to the government, but at a fair rate of interest for both the lender and the borrower.

This was a radical change in the standard, or measure, of value within the United States, but it was a *fixed standard established by law*, and every business man could act upon it, and shape all his contracts and business transactions accordingly.

The act of July 11, 1862, authorized a further issue of $150,000,000 of legal-tender notes, and required their redemption by the government at all times, on demand, in the five-twenty six per cent bonds, still leaving the standard of value of legal-tender notes, by providing for their conversion at any time into six per cent U. S. bonds, principal and interest payable in gold. Although this was, in effect, a forced loan from the people, it was so fair and equitable in its terms, the peril of the country so great, and the object to be attained in crushing the rebellion so important, that no loyal citizen could object to it. There was no very great danger that the currency would become excessively inflated, so long as every person holding greenbacks not bearing interest could exchange them at his own will into gold-bearing bonds at six per cent interest per annum. The government was carried on smoothly, and the war prosecuted vigorously, under this system, up to January 21, 1864, when the five-twenty six per cent bonds, authorized by the act of the 25th of February, 1862, were exhausted. In the mean time the standard of value

for the redemption of greenbacks has been changed, *which is the cause of the present advance in the price of gold, and other commodities and services, as I will now proceed to show:*

The act of the 3d of March, 1863, to furnish ways and means for the support of the government, commonly called the $900,000,000 loan bill, so modified the legal tender note bill as to leave it in the discretion of the Secretary of the Treasury to fix the time and manner of issuing the bonds or notes, and the rate of interest they should bear under the act. It gives him the power to issue them at six per cent, five per cent, or even at a lower rate of interest, if he deems it advisable; but under the modifications of the act *there is no longer any standard of value fixed by law.* It rests with the Secretary to say, from time to time, what the rates of interest shall be. He also has the power to issue and re issue legal-tender notes on demand and on time, in sufficient volume to float five per cent, and even four per cent bonds and notes, if he shall deem it advisable to do so. No man can regulate his contracts or business affairs with any certainty. No person when he takes a legal-tender greenback currency, can fix in his own mind what is its real value. It is no longer convertible, at the will of the holder, into United States six per cent bonds, nor is there any provision in the law which compels the government to redeem them in any kind of bonds, or in any other way, except for dues to the government. It has, however, been the practice of the Treasury Department, during the last two months, to redeem legal-tender greenbacks not bearing interest, by exchanging for them one and two years' treasury notes bearing five per cent interest, both principal and interest payable in currency.

I did not, at the last session of Congress, think it wise to change the standard of value fixed in the legal-tender note bill. I thought it better to issue and pay out to the army and navy, and other creditors of the government, an amount of greenbacks sufficient to float, easily, the five-twenty six per cent bonds. I believed seven and three-ten per cent interest too high a rate, but I deemed it fair and just that on forced loans of this kind, the goverment should pay six per cent, and that the war should be prosecuted until the rebellion should be crushed on the basis of six per cent interest on all the funded debt, to accomplish that result. I thought it better for the government and the people that there should be that stability attached to business transactions which can only be fully realized by a public law establishing the measure of value. In the remarks which I made in the House on the 12th of January, 1863, I said that "Congress, by its legislation at the last session, has, to a considerable extent changed the standard of value for all business operations within the United States. The standard of value fixed by Congress is legal-tender Treasury notes *convertible at any time* into United States specie paying bonds, bearing interest at the rate of six per cent per annum, payable half yearly in coin, based upon adequate taxation upon the entire property of the country. Legal-tender notes constitute the national currency now established by law. *All exchanges of property, all contracts, and all loans, are based upon the value of legal-tender notes, and United States six per cent bonds.*"

At a later period in the session the $900,000,000 act was passed. I was not in favor of the change made by that act in the standard of value; or, rather, I was not in favor of the discretionary power given to the Secretary of the Treasury to change it, as provided in the act, not be-

cause I had not full confidence in the Secretary, but because I thought it better that so important a matter—relating as it does to the stability of the whole business operations of the country—should be fixed in the law itself, so that all men could shape their business accordingly. This would have relieved the Secretary from a vast responsibility, and the inflations, fluctuations and changes now so apparent, would have been less likely to have happened. I reluctantly assented to the change. It was against my better judgment, and I am now satisfied that it was a mistake.

The daily conversions during the past year of legal-tender notes into the 5-20 six per cent bonds, at the rate of from one to two millions a day, furnishing the means for paying the daily expenditures of the government went on so smoothly, so steadily and so satisfactorily to all parties, without causing any great inflation of the currency, or increase in the price of labor or commodities, that I was in hopes it would be continued the same way under the $900,000,000 loan bill. This would have kept things steady; kept down the price of gold, and would probably have prevented any necessity for paying out the *reserve* $50,000,000 of greenbacks which have been issued since the meeting of Congress, and over $150,000,000 five per cent one and two year legal-tender notes, also issued and circulated to a considerable extent as currency. But it is not my wish or desire to say a word that will in any way retard or embarrass the operations of the government in a vigorous prosecution of the war to put down this gigantic and wicked rebellion, and effectually remove the cause that brought on such a bloody war. The last man and the last dollar are pledged for this purpose; and, *if necessary* to inflate the currency to such an extent that five forty-five per cent bonds may be floated at par, I am ready to yield my assent to such a measure, and will lend my feeble efforts to sustain the administration in carrying it out. The rebellion must be crushed at all hazards and at every sacrifice.

The principal object I have in writing to you at this time is to solicit the co-operation of your friends in New York in submitting to Congress the propriety of *establishing by law* the standard value of legal-tender notes by fixing the rate of interest at which they may at any time be converted into the funded debt of the United States, principal and interest payable in gold. If it is to be five per cent bonds, gold and prices will be considerably higher than they will be if such notes are convertible into six per cent bonds. I think it will be cheaper in the end, and specie payments can be resumed at an earlier day, for the Government to continue the conversion of legal-tender notes into six per cent bonds, because gold will be lower and prices less; but whatever the rate of interest is to be, I trust it will be fixed in the law itself, so that all business men will be able to shape their contracts and business in accordance with the public law establishing such standard of value.

I intended to say a few words on one or two other points, but this letter is already too long, and I must defer to some other more convenient time what more I may desire to say on the national finances. Please write me your views on this subject.—I remain yours truly,

E. G. SPAULDING.

MORRIS KETCHUM, Esq., Banker, New York:

DEAR SIR:—Referring to my letter to you of the 19th of March last,

I desire to make some additional remarks on the National Finances. It is a subject upon which I feel a deep interest, for you well know that if we fail here there is danger that we may not succeed in accomplishing what is the most ardent wish of all patriotic citizens—that of crushing the rebellion, and a restoration of the national unity. The national debt will increase at a fearful rate, under any policy that can be devised, and prudent, patriotic citizens are looking anxiously at the result of measures that are adopted. Desiring, as I do, the crushing of the rebellion in the shortest time, and with the least possible expenditure of blood and treasure, I venture to make a few suggestions further on the future policy of executing the $900,000,000 loan act.

It seems to me that the policy of the Treasury Department for the last three months has been that of *inflation, and over issues of a paper circulating medium.* It has, by such a policy, unintentionally stimulated and encouraged speculations in gold, stocks and other things, rather than to encourage industry, the production of commodities, and other legitimate business. Under this policy, gold has advanced twenty per cent, and the price of labor and commodities continues to increase to such an extent as to render it very embarrassing for business men to carry on their ordinary pursuits. I know very well that these evils cannot be fully guarded against during the prosecution of such a gigantic war, and the large amount of paper necessarily issued by the government; but it is the duty of the government that these evils should be mitigated and rendered as light as possible.

The Department has partially executed the $900,000,000 loan act; the first section of which authorized the Secretary to borrow the *whole amount* of nine hundred millions of dollars on the ten-forty bonds, bearing six per cent, (or, in his discretion, five or four per cent,) interest payable semi-annually in coin; or, by other sections of the bill, he had the discretionary power to print and pay out to creditors of the government an additional amount of $150,000,000 of greenbacks, and $400,000,000 legal-tender Treasury notes, which, in the form issued by him, circulate to a considerable extent as currency; and a further contingent authority to issue a still further sum of $150,000,000 of greenbacks; but the whole aggregate of all kinds of bonds and notes to be issued under the bill was not to exceed $900,000,000.

In administering and carrying into effect the provisions of this act, it is plain that, by borrowing on the issue of ten-forty six per cent bonds under the first section of the act, the tendency would be to repress and keep down inflation, prevent speculation in stocks, gold and other commodities, and, at the same time, by holding a steady money market, encourage all kinds of productive industry and other legitimate pursuits.

On the other hand, by resorting to the other sections of the bill and issuing greenbacks and legal-tender Treasury notes in large volume, the currency is still further expanded and cheapened to such an extent that all legitimate business is greatly embarrassed by the increase in the price of labor, the cost of living, transportation, and the cost of the raw materials used in building, manufacturing, and other industrial operations.

In the partial execution of this law, the Treasury Department has printed and paid out $150,000,000 greenbacks as currency, and over

$175,000,000 of one and two years legal-tender Treasury notes, which also circulated to a considerable extent as currency, making $325,000,000 of *inflating* paper issued under this act, thus far; while the department has only borrowed on a *permanent loan*, under the first section of the bill and the supplementary act, less than $15,000,000 on *five* instead of six per cent ten forty-bonds. The whole policy thus far under this law has been one of *inflation* on temporary loans, rather than *funding* on long government bonds at a fair rate of interest.

It has been supposed that by this policy of inflation a five per cent ten-forty bond might be floated nominally at par. Funding the present excessive floating debt at five per cent interest is better than not to be funded at all, and I hope that the bonds now offered at five per cent may be taken up rapidly, and that the evils of the present inflation may be removed; but I fear the conversions will not be rapid enough at this rate of interest. The bonds do not seem to be readily taken, as yet, by the people. It required the printing and paying out of $400,000,000 of greenbacks before the five-twenty six per cent bonds could be floated easily at par, and it will probably require the circulating paper issues of the government, now amounting to about $625,000,000, to be increased to $650,000,000, or $700,000,000 before the people will be induced to take five per cent bonds, in order to get rid of the surplus circulating that may accumulate in their hands, that cannot be more profitably invested in other modes.

I agree with all that has been said by the Press and in Congress in favor of annual taxation to the amount of $300,000,000. At the extra session of Congress in July, 1861, I advocated immediate taxation to the extent of paying the annual expenses of the government on a peace footing, and the interest on all the war debt, and I have advocated that policy ever since. I hope Congress will not adjourn without providing for raising at least the sum of $300,000,000 each year by taxation. Assuming that Congress will provide for raising that sum by taxation for the next fiscal year, still the whole expenses of the year will not be less than $1,000,000,000, which will leave the additional sum of $700,000,000 to be borrowed in some form to pay the expenses of the army and navy. This brings us to the *practical question:* How is this large sum to be obtained? Shall it be on temporary issues of paper calculated to still further inflate the currency already afloat, thereby adding to the embarrassments already bad enough; or shall it be on a permanent loan, based on the issue of long bonds, principal and interest payable in gold, and at such a fair rate of interest that the bonds will be readily taken, in such large amounts as not only to make any further temporary issues under the $900,000,000 act unnecessary, but also materially diminish the present excess of paper currency? This would check speculation, and bring down the price of gold and all other commodities to a more safe and stable standard.

It is of great consequence for all business men to know what is to be the *future policy* of the Treasury Department. Whether it will still further *inflate* the currency by temporary expedients, or whether it will *contract* the floating debt by funding in long bonds. Shall it be inflation and high prices, or contraction and low prices? This question is of vital interest, affecting the large purchases of the government in the prosecution of the war, as well as the legitimate business of the people.

If the Treasury Department will print and put at the disposal of the people ten-forty bonds, paying six per bent interest semi-annually in coin, for the balance of the $900,000,000 loan, it will be so rapidly taken, judging from the manner in which conversions were made into the five-twenty bonds, that all its other printing presses employed in printing temporary circulating paper may be safely stopped, until this loan is exhausted, and with the most beneficial results to the government and the people.—I remain, yours, truly,

E. G. SPAULDING.

COMMERCIAL CHRONICLE AND REVIEW.

EFFORTS OF TREASURER TO REDUCE PRICE OF GOLD—THE FIVE PER CENT LOAN—INCREASE OF EXPENSES OF WAR DURING THE THREE YEARS—PAPER ISSUES OF GOVERNMENT, AND THE EFFECT OF THEM IN REDUCING RATE OF INTEREST—SALES OF THE FIVE-TWENTIES, EFFECT OF—SALES OF GOLD CERTIFICATES AND SALES OF GOLD AND THE EFFECT RATES OF EXCHANGE—PRICES OF GOLD AND U. S. PAPER—GOV. SEYMOUR'S CIRCULAR ABOUT INTEREST ON DEBT.

THE financial world has undergone a severe check the last month, in consequence of the means adopted by the Treasury Department to reduce the price of gold, while it strove to negotiate a five per cent stock on the basis of a currency inflation. The rise in the price of gold is an unavoidable inconvenience, growing out of the inflation of the currency, as a means of borrowing at an apparently low rate of interest. In the conduct of the national finances there were but two modes of proceeding. The first was to place the expenditures of the nation on as economical a scale as possible, then take advantage of the devotion of the people. raise, by taxes, at least half the amount of the expenditures, and the remainder by loans. Each loan, however, should have been accompanied by a special tax, the proceeds of which were pledged exclusively to its redemption, principle and interest. On such a basis the expenditures of the war would have been at low cash prices, not more than one-third the actual amount, and the capital of the whole world would have been at the service of the nation. The other plan was the paper system, which depended on borrowing altogether; producing, through paper money, fictitious prosperity, ignoring taxes, and negotiating loans at nominal rates of interest, to feed an extravagance of expenditure that knows neither limit nor restraint. This was the plan adopted, and it has produced frightful evils.

The issue of paper money by the government gave it present means but soon caused a rise in prices and values which enhanced its expenses in the same ratio, and produced such a demand for means that, now, no taxes can ever overtake the depreciation. The expenditures for three years are as follows:

	Expenses.	Increase.
1862, ordinary, exclusive of debt	$461,554,453	
1863, " " "	689,980,149	$228,425,696
1864, " " "	951,841,201	261,961,052
Total, three years.....	$2,103,375,798	
" internal taxes three years.....	125,640,788	

Thus, each year gives an immense increase, caused by the higher prices of labor and commodities, that result from the use of paper money. The internal taxes gave, in 1863, $37,640,787, and in 1864, about 88 millions. The new bill, it is supposed, will give $250,000,000. Now, it will be observed, that if that sum had been levied in the first year of the war, there would have been only $200,000,000 to borrow, and the economical application of the money, keeping prices at the same points, would have sufficed for the next two years. The tax levy of $250,000,000 now will not meet the extra expense caused by the inflation of prices, and will still leave $700,000,000 to be borrowed.

While this paper system has been adopted it has also been determined to borrow, at an apparently low rate of interest; so, to do this, an inflation of the currency has been the chief dependance, and the attempt to counteract the effect of this upon the price of gold has been the cause of the intense revulsion of the past month.

The position of affairs can best be understood by going back to the origin of the present movement. By the loan of March 2, 1863, Congress authorized the Secretary to issue $400,000,000 of legal-tender notes, not less than $10, and with not more than three years to run, bearing interest not exceeding six per cent, payable in lawful money at such time as expressed on the face. "Said notes may be made a legal-tender for their face value, excluding interest," "or they may be made exchangeable by the holder thereof at the designated depository for United States notes, together with the interest thereon, at the date of interest next preceeding such exchange."

Thus two plans were authorized—one, that the notes should be a legal-tender for the face, without the interest, and the other, that they should be converted into legal-tender. The former plan was adopted, but the rate of interest put at five per cent. There were three kinds issued:

1. Two-year notes, interest half yearly.
2. Two-year notes, interest only at maturity.
3. One-year notes, interest only at maturity.

Six months elapsed without any preparation to avail of the loan, and August 31, the pay of the troops fell due, when the Treasury was destitute. The Secretary then addressed the following note, which will be found in full in the October number of this magazine:

TREASURY DEPARTMENT, August 31, 1863.

DEAR SIR:—*The pay of the army* for the current six months will require an addition to the ordinary receipts for bonds, of about $25,000,000, and must be provided for immediately.

The best mode of doing, so as to guard against all contingencies, is to obtain *subscriptions from the banks and bankers for fifty millions* of Treasury Notes, by which name, as you know, Legal-Tender Interest Bearing Notes are described in the Act of Congress.

The plates for these notes are now being engraved, and the issues of them will be ready during the month of September.

This loan was at once made to the Secretary, and the troops were paid. The notes were not delivered to the banks, however, until the middle of January, and then with coupons dated December 1. That is, when the banks got them there was nearly two months accrued interest on them—this was to prevent them from

paying them away." The Secretary, at the same time, wrote, September 5:

"I hope not to make any additional issue this year at all."

Before the banks got their notes, however, the Secretary advertised, in Dec., for $35,000,000 more, through JAY COOKE & Co.

Meantime, the sale of five-twenty bonds progressed under the issues of the paper money, the amount of which, outstanding at different periods, was officially reported as follows:

	Greenbacks.	Two-year coupons.	Two-year maturity.	One year.	Total legal tenders.
June 30.	$387,646,589	.....	.....	.....	$387,646,589
Sept. 30.	402,737,051	.....	.....	.....	402,737,051
Dec. 1.	418,245,931	.....	.....	.....	418,245,931
Jan. 1.	421,836,781	$50,000,000	.....	.....	471,836,781
Feb. 1.	450,785,004	50,000,000	.....	.....	500,785,004
March 1.	449,119,548	95,502,031	.....	$5,860	544,627,439
Mar. 15.	449,073,816	115,581,414	.....	14,600,000	579,255,030
April 1.	449,073,616	115,581,414	$29,801,536	26,520,000	620,976,616
April 12.	449,073,616	115,581,414	44,801,586	51,520,000	660,976,616

In this table we have the official reports of the amount of legal-tenders outstanding at each date. This does not, however, include the fractional currency, which is reported at about $20,000,000. But as it is not signed or registered, or numbered, the real quantity can never be known. From the quantity of silver, formerly known to circulate, and the apparent abundance of the fractional paper, with other circumstances attending the issue, there must be at least $50,000,000 outstanding. This however, is not included in the above column. The authorised greenbacks were all issued in September, with the exception of the $50,000,000 held in reserve to meet the five per cent deposit certificate, and as these were drawn down, the whole issue was completed by February 1. The two year coupon legal tenders were not given to the banks until January, and the issue continued until March 15, when it was stopped by published order of the Department. The two-year notes, interest payable at maturity, were then continued, as well as the one-year notes, which now are used as currency, notwithstanding the interest.

This is the state of the Government currency; we may now take the official figures of the five per cent deposit certificates outstanding, with the amount of five-twenties sold at corresponding dates, as follows:

	Five-twenties outstanding.	Five per cent Deposits.	Legal Tender.	Price. Gold.	Rate of int.
June 30.....	$168,880,250	$102,384,085	$387,646,589	$1.45	6 a 7c
Sept. 30.....	278,511,500	104,934,102	402,737,051	1.43	6 a 7c
Dec. 1.....	390,474,458	49,695,130	418,245,931	1.47	7 a 8c
Jan. 1.....	439,991,938	37,145,768	471,836,781	1.52	7 a 9c
Feb. 1.....	503,005,178	30,293,405	500,785,004	1.57	7 a 8c
Mar. 1.....	510,165,446	40,188,919	544,627,439	1.60	5c
Mar. 15.....	510,740,160	47,207,545	579,255,030	1.62	5 a 6c
April 1.....	510,740,100	49,801,000	620,977,119	1.65	6 a 7c
Apl. 12.....	510,740,100	40,000,000	660,000,000	1.75	7c

This table presents very remarkable results. It will be observed at a glance that between September and January $215,000,000 of capital had been absorbed into five-twenties, but $74,000,000 of it was furnished by the Treasury itself from the five per cent deposits, and $98,000,000 by issuing greenbacks, leaving

but $53,000,000 actually obtained. This process caused the rise in the price of interest, and, as a consequence, the five per cent deposits were drawn down $74,000,000, as we have stated, liberating the greenbacks held in reserve to pay the deposits. In all that time there was very little variation in the price of gold. From the 1st of February, however, up to the present time, there has been $160,000,000 of legal-tender issued, while none has been absorbed into stock. The result is a rise of 23 per cent in gold, a fall in the rate of money, and re-deposits in the Treasury for five per cent certificates, up to April 1, when the interest accumulating on the legal-tenders caused them to be kept for the coupons, and the price of money again rose, causing $9,000,000 to be drawn from five per cent deposits in the last week. These were paid in one year legal tender, and a renewed rapid rise in gold is the consequence, with an easier money market. Now, on the 1st of June, four weeks hence, the coupons will be paid on the $115,000,000 two-year notes, and they will again be currency. The question now is, will the currency on, and coming on the market, suffice to float the five per cent stock, or will more be issued?

The rise in gold became serious, and the sale of gold certificates for the payment of duties, was continued from the 29th of March, to the 16th of April, with the following results:

DAILY SALES OF GOLD CERTIFICATES.

	Gov. price.	Market price, gold. Highest.	Lowest.	Closing.	Certificates sold	Received back.
March 29.....	165¼	166¼	165	165⅛	$99,186 67	$38,190 15
March 30.....	164	164⅝	163⅝	164	18,889 63	50,282 56
March 31.....	163¼	165⅝	163½	165½	424,456 56	110,868 98
April 1.....	165	168⅞	166	166⅞	439,144 80	278,875 51
April 2.....	166	166⅞	166	166⅛	158,290 00	155,118 80
April 4.....	165½	167⅝	166	167⅜	296,840 00	246,963 35
April 5.....	165½	168½	167⅝	168½	354,710 00	256,430 00
April 6.....	166⅝	171½	168	171½	385,058 56	214,743 60
April 7.....	165	171½	169½	169⅝	407,710 00	259,610 81
April 8.....	165	169⅞	169⅛	169⅞	417,766 20	479,382 00
April 9	165	171½	169⅝	171½	414,113 87	320,624 00
April 11.....	165	172	170⅞	172	502,916 00	320,624 00
April 12.....	165	175	173½	174½	513,011 03	425,962 00
April 13.....	165	180½	174½	179	632,288 01	349,861 00
April 14.....	165	189	174½	177	1,076,693 08	346,269 00
April 15.....	165	175	172	174½	1,249,676 00	1,040,633 00
April 16.....	165	174½	170⅞	172½	1,005,972 62	167,901 41
April 18.....	165	171½	169⅝	170⅝	.....	786,161 24
Total certificates issued.....					$8,896,728 03	$6,677,688 19
Apparently outstanding.....					.....	$1,719,039 12

The sales of certificates did not supply the market with any gold, but prevented a demand for an equal amount. Nevertheless the price rose steadily, and was, when the sales ceased, April 16th, 7 3-8 per cent higher in the open market, than when they began. This failure to produce the desired and expected result, caused a sort of panic, April 14, when the price suddenly rose to 189, with strong signs of a wide spread run for gold. The Secretary then visited the city, and ordered the sale of gold from the Treasury, through certain houses, who employed brokers to sell it in the street for greenbacks. At the same time, the Bank of Commerce had been employed to sell exchange on London, for government account against

gold sent thither the previous January. These sales of certificates, exchange, and gold, in addition to the ten-forty loan, which had been put upon the market March 26th, while all National Banks were instructed to hold and hoard greenbacks resulted as follows:

Certificates sold in New York	$8,396,728
Certificates sold in other cities	4,000,000
	$12,396,728
Gold sold	$8,000,000
Exchange sold	1,500,000
Total	$21,896,728
Proceeds in greenbacks	$36,129,015
Proceeds in ten-forty, reported	25,000,000
Total absorption of greenbacks	$61,129,015

This sudden demand for greenbacks upon one point could not but produce a terrible pressure. The sales of certificates and ten-forty bonds gradually drained the market, and at the close of the week the gold and exchange was suddenly thrown out, demanding $17,000,000 in two days. The effect was to drain the banks of greenbacks, and the banks were thus forced to pay out the five per cent legal-tenders which they had received from the Secretary, in repayment of the money they had loaned, to relieve him from his distress, and pay the troops. In paying out these notes, or currency, however, they would lose five months' interest on the loan they had made the government. This they were naturally loath to do, and loans were called in upon stocks to an extent that caused one of the most severe revulsions of late years in the stock market. The government stocks, of course, felt the pressure intensely, and, on one day, the five per cent five-twenty stock sold at a price equal to one per cent discount. This, of course, was fatal to the new five per cent loan. The pressure soon passed, however; its very intensity wrought its own cure, since stocks were sacrificed and borrowing ceased, while those who had reserved their funds when prices were high, came freely into the market. The rise in the value of money in New York caused it naturally to seek that point from all sections of the country, and it became daily more abundant.

This supply of paper came from three sources. The Treasury continued to pay out its five per cent legal-tender notes which passed as currency. The National Banks multiplied their issues, and the rise in the value of money impelled a larger circulation on the part of the older banks. As a consequence trade continued to be active, and prices gradually to rise. This circumstance, of itself, gave a great impulse to the importation of goods, and increased the export demand for coin. There was, however, a check to the usual course of business by the movement of the Treasury, since the usual export of specie, and the purchase of bills of exchange was delayed, in the hope that by some operation of the Treasury Department, there would be produced such a decline in specie and bills as would afford a great saving to importers. This is illustrated in the course of business in New York, where the specie value of imports and exports compare as follows, this year and last. The following gives, for the two years, up to

March 1, the specie value of exports, as well as imports, the excess of imports, and the amount of specie exported :

Jan. to March 1.	Imports.	Exports.	Excess imports.	Specie exports.
1863.....	$27,767,422	$22 048,381	$5,724,041	$8.509,238
1864.....	40,564,817	17,664,810	23,564,819	8,474,346

Thus, last year, to the 1st of March, there had been exported $2,766,197 more specie than the apparent balance due abroad. This year, on the 1st of March, there was due $15,090,473 abroad, over and above all the specie that had been exported. By the 1st of March, this year, the public mind became impressed that the Secretary would cause such a fall in gold as to give a large profit to remitters. The effect was as follows, showing the imports and exports from March 1, to April 16 :

March 1 to April 16.	Imports.	Exports.	Excess imports.	Specie exports.
1863.....$31,644,073		$14,218,820	$17,425,253	$7,606,540
1864..... 30,371,607		14,266,412	16,105,195	3,306,549

Last year there was a rapid fall in the price of gold, and the amount remitted, with the surplus sent before March 1, $10.000,000, to pay $17,425,253.

This year there was remitted only $3,306,549, leaving due $12,800,000, which added to the balance due March 1, leaves over $28,000,000, of which the remittance has been delayed by the hope of a decline from the operation of causes that have totally failed to produce it.

On the failure of the plan to reduce the value of gold, by selling certificates, the demand for bills for remittances set in with renewed vigor, and the prices were as follows :

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 2,.	166 a 166½	3.38¾ a 3.34½	62½ a 63	62¾ a 63½	55½ a 56	110½ a 111
" 9,.	166½ a 167¾	3.38½ a 3.40	62¾ a 63	62¾ a 63½	55¾ a 56½	110½ a 111
" 16,.	169½ a 170¾	3.30 a 3.32½	64 a 64½	64½ a 64¾	56½ a 57½	112¾ a 113¾
" 23,.	170 a 171	3.31 a 3.33	64½ a 64½	64½ a 65	56¾ a 57	112¾ a 113¾
" 30,	171 a 172	3.32½ a 3.28½	64½ a 64¾	64½ a 65	57½ a 57½	113½ a 114
Feb. 6,	174 a 175	3.26½ a 3.23¾	65½ a 66¾	65½ a 66	58 a 58½	115 a 116
" 13,	173 a 174½	3.27½ a 3.23½	65 a 65½	65½ a 65½	58½ a 58½	115½ a 116
" 20,	172½ a 174	3 27½ a 3.23¾	65½ a 65¾	65½ a 65¾	58½ a 58½	115½ a 116
" 27,	173½ a 174	2.26½ a 3.22	65½ a 65½	65¾ a 66	58¾ a 58¾	115¾ a 116½
Mar. 5,	174½ a 175¾	3.25 a 3.21½	65¾ a 66½	66 a 66½	58½ a 59	116 a 117
" 12,	177 a 178	3 15 a 3.18¾	66 a 66½	67. a 67½	59 a 59½	117½ a 118
" 19,	176 a 177	3.22½ a 3.18¾	65½ a 66½	66 a 66½	58½ a 59	116 a 117
" 26,	179½ a 182	3.15 a 3.10	67¾ a 68½	68 a 68¾	60½ a 61	120 a 121
April 2,	177½ a 181	3.18¾ a 3.12½	66¾ a 67	67 a 67¾	59½ a 60½	118 a 120
" 9,	184 a 185	3.08 a 3.06½	68½ a 69	68¾ a 69½	61½ a 62	121½ a 122
" 16,	189 a 191	2.97½ a 2.95	70 a 71	70½ a 71½	62½ a 64½	127 a 128
" 23,	190 a 192	3.05½ a 2.95	71½ a 71¾	71½ a 72	62¾ a 63½	124 a 125
" 30,	195 a 198	2.90 a 2.85	73 a 74	73½ a 74½	65 a 66	130 a 131

During the stock demand in March, the price of bills fell very low, as compared with specie, being equal only to 108, gold prices or virtually 1½ per cent under par. When the demand for bills was renewed, the rate rose rapidly to 110½ for gold, and most bankers exacted payment in "double eagles." The amount of exchange sold by the government was not large, and was on such terms as not to suit the operations of general business, while the gold it sold was, to a consider-

able extent, in small coin, and not worth so much by ¼ to ½ per cent for remittances as the double eagles. The following table shows the coin movement:

SPECIE AND PRICE OF GOLD.

	1862.		1863.			
	Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
Jan. 2	.....	681,448	254,239	590,262	25,161,935	51¼ a 52
9	1,277,788	726,746	.....	1,216,204	25,122,002	51½ a 52
16	.....	1,380,247	279,801	1,985,057	24,884,264	52½ a 56½
23	678,841	780,817	365,608	1,000,000	24,681,204	56 a 58
30	.....	1,331,027	324,864	668,747	24,203,682	56¼ a ...
Feb. 6	301,860	1,277,000	.....	662,616	24,070,191	59½ a ...
13	359,987	1,152,846	363,198	1,219,808	23 521,453	59½ a ...
20	.....	520,017	.....	325,632	22,523,918	61 a ...
27	285,394	1,377,016	407,057	531,700	22,301,687	59½ a 61
March 5	1,243,551	733,643	512,358	629,803	21,220,653	61 a 62
12	.....	3,540,550	.....	465,920	20,750,495	62 a 69
19	249,514	1,201,907	281,804	88,881	21,059,512	62 a 62½
26	159,105	1,050,156	375,101	273,900	20,425,504	69½ a 70½
Apr. 2	250,778	473,385	273,429	168,912	19,527,665	68½ a 68½
9	.....	607,059	302,944	345,471	20,924,287	67 a 71
16	217,602	158,437	269,522	1,002,384	21,687,670	71 a 89
23	256,604	629,855	.....	3,226,000	24,868,203	72½ a 79
30		294,998	282,876	1,271,836	24,087,343	77 a 85
Total....	$6,970,081	$15,903,398				

The administration seemed determined to effect a forced reduction in the price of gold, notwithstanding the failure that had attended the measures adopted for that purpose. Mr. SHERMAN introduced a bill into the Senate for regulating the dealings in gold and foreign exchange, which passed. This excited the liveliest fears. The substance of it is thus stated in the foreign circular of one of the leading banking houses:

1st. That if two parties on 'Change, or any other public mart, shall agree for the purchase and Sale of a bill on London, Paris, &c., they shall both be liable to fine and imprisonment.

2d. That if a Bill of Exchange be sold and paid for, or contracted to be paid for, *in lawful gold money of the United States*, or by a certified Bank Check, or in notes of our City Banks, both parties shall be subject to fine and imprisonment.

3d. That if a Banker, or other party, sell a Bill of Exchange on Credit, if it be only for one hour, to enable the purchaser to go to the Bank and draw the money to pay for it, both parties shall be liable to fine and imprisonment.

4th. That in the case of a commission merchant purchasing a cargo of wheat, or other produce for export, under combined limits of cost, freight and exchange, which he can only draw for against Bill of Lading, if he shall sell his bill of exchange, at the time of the purchase, to a banker or other party, deliverable and payable when the shipment is completed, both parties shall be liable to fine and imprisonment.

5th. That if a merchant sell a cargo of coffee, or other merchandise, payable on delivery, say in ten days, and agrees with a banker for the purchase of Bills of Exchange to remit against it, payable and deliverable at the same time as the proceeds are payable, both parties shall be punished by fine and imprisonment.

These bills for the regulation of the interest results inevitably from the use of paper money, are not calculated to support the public credit abroad. The specie movement was all the more strong from these projected loans.

The stock market, generally, under the immense pressure that the temporary demand for greenbacks for gold, and gold certificates, underwent a severe revulsion, and the sale of the five per cent loan was a good deal interfered with in consequence. The prices of United States stocks were as follows:

PRICES UNITED STATES PAPER.

	—6's, 1881.— Reg.	Coup.	5's, 1874.	7 3-10, 3 years.	1 year certif. Old.	New.	Gold.
January 2..	104⅛	105½	96	106½	101½	97⅛	151½ a 151⅝
" 9..	104⅛	105½	96	106½	102	97⅛	152 a 152½
" 16..	104	105½	96	106½	102½	97⅛	155 a 155½
" 23..	106	107	97	107	103	97	156 a 158
" 30..	106⅛	106	100	107½	102⅛	97⅛	156½ a 156⅝
February 6..	107⅛	107½	100	108	102⅛	98⅛	159⅛ a 159⅜
" 13..	109⅛	109⅛	100	109½	103	98⅛	159½ a 159½
" 20..	111½	110	100	111	103	99½	159⅝ a 161
" 27..	111½	110½	100	111	103	99½	159⅝ a 161
March 5..	111½	111	100	111	103½	99⅝	161½ a 161½
" 12..	112	112	100	110½	103	99⅝	162½ a 162⅝
" 19..	112	112½	100	110½	103	99½	162 a 162½
" 26..	112	112½	100	111½	103	99½	169⅝ a 179
April 2..	111	110	100	111	...	99½	166⅝ a 167½
" 9..	112	112	102	111½	...	99½	169½ a 170
" 16..	107½	112½	102	112	...	99	173 a 189
" 23..	105½	108	109	109	...	97	174⅛ a 179

GOVERNOR SEYMOUR has issued a circular to the bankers and merchants of New York, calling upon them to provide means, by voluntary contribution, whereby at least so much of the interest on the State debt as belongs to non-resident creditors, if not the whole, may be promptly paid in gold or its equivalent.

In March, 1863, the Governor states that he addressed a communication to the Assembly, asking it to provide for the payment in coin or its equivalent of the interest on the public debt, amounting to $392,634, the premium of which, if paid in gold, would be $177,000. Of the whole amount of interest due about $25,000 was owing to foreign stockholders, and the greater part of the remainder to citizens of this State. He impressed upon the Legislature the importance of maintaining to the letter the obligations contracted by the State. The time might come when it would be compelled to rely upon its own resources, and it could not expect to be able again to go into the market if it were to repudiate the conditions on which it had obtained assistance. An appropriation was made for the purchase of coin sufficient to enable the Comptroller to pay in gold the interest on the stocks of New York held by persons residing abroad; but, no provision having been made for the payment in the same manner of the creditors residing in this country, the Comptroller was compelled to forego it.

This year a joint resolution has been adopted by both houses declaring "that no distinction should be made between the foreign and domestic holders of State bonds as to the currency in which the principal and interest thereon should be paid." The effect of this resolution, in the absence of any appropriation, will be that no part of the interest will be paid, as it was promised, in coin or its equivalent, and the Governor is therefore compelled to appeal to the moneyed interests of New York to save the State from the disgrace which must be visited upon it by the repudiation of its obligations to its foreign creditors. Principle and policy, he says, unite to urge the necessity of keeping faith with the public creditor. Of this there can be no question. We trust and believe that the necessary funds will be forthcoming.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

REPORTS OF NATIONAL BANKS—BANK OF COMMERCE—STATE BANKS TO ORGANISE UNDER NATIONAL LAW—QUARTERLY RETURNS NEW YORK CITY BANKS—POLICY OF STATE BANKS—LETTER FROM SUPERINTENDENT N. Y. BANK DEPARTMENT—THE TREASURER VS. STATE BANKS—TAXATION OF U. S. BANKS BY STATES—CITY BANK RETURNS—BANK OF ENGLAND—BANK OF FRANCE—MEXICAN EMPIRE.

THE most material features of the banking interests is the growing struggle between the two systems of banking—the new and the old. The number of new banks formed and projected is stated to be 375, with an aggregate capital of about $52,000,000. The law requires quarterly reports, by the comptroller, of all the banks, and monthly reports by the institution. As yet only two quarterly reports have been made, and these are as follows:

NATIONAL BANKS OF THE UNITED STATES.

Synopsis of Quarterly Reports of National Banks for October, 1863, and January 1, 1864.

LIABILITIES.

	Oct. 1, 1863.	Jan. 1, 1864.
Capital paid in	$6,784,718	$14,528,721
Circulating notes	.....	29,155
Profit and loss account	103,506	428,914
Due to banks and bankers	822,519	2,098,930
Due to individuals and corporations	105,640	606,596
Due to Treasury of United States	184,000	3,925,831
Due depositors on demand	5,861,885	14,701,624
Miscellaneous	261,417	835,104
Total liabilities	$14,073,685	$37,154,875

RESOURCES.

Loans and discounts	$4,765,774	$10,126,922
Due from banks and bankers	2,048,953	4,751,773
Due from directors of the banks	81,000	413,981
Real estate	141,378	208,178
Specie, and other lawful money of the United States	1,011,594	5,071,570
Cash items and revenue stamps	1,810,257	472,077
U. S. bonds, deposited with U. S. Treasurer, for circulation	3,675,275	8,903,050
U. S. bonds deposited, with U. S. Treasurer, for other purposes	.....	1,469,750
U. S. bonds, 7-30 notes and certificates of indebtedness on hand	955,113	4,677,650
Bills of solvent banks on hand	.....	812,705
Bills of suspended banks on hand	808	32
Expense account	133,533	120,847
Over-drafts	.....	56,484
Furniture and fixtures	.....	69,197
Suspense accounts	.....	659
Total resources	$14,073,685	$37,154,875

There are 12 of these new organizations in New York city, with a capital of about $17.000,000. It does not appear that any of them has much business beyond the receipt and distribution of the public money, the use of which seems to be the main inducement to organize the new concerns. The Bank of Commerce, New York, capital $10,000,000, has sought to become the head government institution for this city, and it put forward claims to have a special Act of Congress passed to constitute it a National Bank here. A clause to that effect was incorporated in the National Bank law, and Mr. SHERMAN, in the Senate, remarked:

"It was important that this wealthy corporation should be allowed to come in under the provision of this bill, as it had extended many favors to the government under the provisions of the bill. As it came from the House it would be excluded; and it was proposed to strike out the House clause and substitute this amendment."

A clause in the new bill also allowed all State Banks to organize under the new law. The New York Legislation passed what appear to be a transcript of that section, but it has not, however, yet received the Governor's signature. The following is the Act:

Section 1. Any bank, banking association, corporation, or individual, incorporated by, or under, the laws of this State, at the time of the passage of the act of Congress, approved the 25th day of February, in the year 1863, entitled, "An Act to provide a national currency, secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof," may, at any time within two years after the passage of this act, become an association under the provisions of said acts of Congress; provided that the owners of two-thirds of the capital stock consent thereto; and when the directors have procured the authority of the owners of two-thirds of the capital stock to make the certificate of association, as required by said act of Congress, the cashier shall publish notice thereof in some newspaper published in the city or county where such bank, banking association, corporation or individual, incorporated aforesaid, is located, for at least thirty days. Should no newspaper be published in such city or county, such notice shall be published as the comptroller of the currency of the United States shall direct. Such cashier shall send like printed notice by mail to the Superintendent of the Banking Department of this State and to each stockholder.

Sec. 2. Any banks, banking association, or individuals incorporated as aforesaid, who shall avail themselves of the provisions of the first section of this act, and the income dividends, property thereof, shall be liable to assessment and taxation under the laws of the State, after the same shall have been organized in pursuance of said section, to the same extent, and with the same force and effect as they, or any of them, are now.

Sec. 3. Nothing contained in this act shall be construed as releasing such association from its obligation to pay and discharge all the liabilities incurred before becoming such association; and it shall be continued a body corporate for the term of three years after having become an association under the laws of the United States, for the purpose of prosecuting and defending suits by and against it, and to enable it to close its concerns, and to dispose of and convey its property, but not for the purpose of continuing, under the laws of this State, the business for which it was established.

Sec. 4. This act shall take effect immediately.

The New York Exchange Bank has become a National Bank.

The old State institutions, in view of the struggle they are likely to sustain with the new, have put themselves upon a defensive line of policy. The quarterly returns of the New York city banks have been as follows:

	June 18, 1863.	Sept. 25, 1863.	Dec. 26, 1863.	March 12, 1864.
Capital.....	$69,401,788	$69,722,508	$69,827,725	$69,927,725
Net profits.....	11,714,151	11,197,247	13,894,846	12,503,905
Circulation.....	6,161,826	5,344,718	6,136,261	5,867,608
Due banks.....	40,850,168	39,978,798	35,193,604	48,188,922
Deposits.....	166,989,659	200,440,927	167,133,239	227,979,988
Due others.....	1,956,358	5,800,361	2,696,329	1,823,572
Total.....	$297,073,970	$332,484,559	$294,882,004	$366,291,720
Discounts.....	$111,146,526	$119,231,704	$104,977,849	$123,089,586
Stocks.....	76,801,701	94,069,228	72,446,988	77,990,167
Bond and mort..	322,845	265,535	326,867	322,894
Real estate.....	6,343,589	6,251,958	6,008,509	5,960,550
Due by banks...	5,679,309	6,962,345	7,665,499	5,212,075
Cash items.....	48,070,477	51,292,463	53,776,363	103,159,721
Specie.....	38,426,463	29,352,863	25,557,430	21,077,317
Legal-tenders...	10,248,308	24,014,682	21,284,399	29,428,006
Overdrafts.....	84,682	43,776	37,600	51,404
Total.....	$297,073,970	$332,484,559	$294,882,004	$366,291,720

These quarterly reports give the amount of legal-tenders held by them, but the weekly reports do not. Hence, the quarterly reports give a much clearer idea of the movements of the banks than do the weekly returns. The loans in the weekly returns embrace all that draw interest, and are given in averages. In the quarterly returns the stocks are separated, and the actual figures are given. The most remarkable item of the quarterly returns is the "cash items," which, from about 15 millions in ordinary times, has run up to over 103 millions. This is the result of the great rise in prices and activity in stocks, throwing into the banks an enormous amount of checks, that pass the policy money through the Clearing-house, and are so settled. The Clearing-house gave as high as $123,000,000 some days. This matter gave rise to some difficulty during the panic caused by the attempt to reduce the price of gold. The brokers' checks would no longer pass without being certified. Here the immense volume that pass into banks in the morning for payment of stocks, to be made good subsequently by deposits of others, was stopped. The weekly returns hereto annexed indicate the cause of the pressure upon the New York Banks. The deposits it appears were reduced from April 1st to 23d, nearly $10,000,000, and the loan nearly $8,000,000. This necessitated the calling in of the five per cent deposit certificates from the government, which were paid off in legal-tender five per cent notes. The increased specie of the banks was obtained through the payment of the interest, $3,200,000, due on the seven-thirty, April 1, and the commencement of the payment of the May interest on the five-twenty April 15.

The Secretary of the Treasury has stated that the present rise in prices is due, in a great measure, to the increased issues of the State banks. This is an error, as their circulation is less now than it was in 1854, (although the capital has increased $26,000,000 since that time,) and the city bank circulation continues to decline each week. In this connection the following letter from the Superintendent of the New York Bank Department, has made its appearance:

THE STATE BANKS.—LETTER FROM MR. VAN DYCK TO THE EDITOR OF THE EVENING POST.

BANK DEPARTMENT, ALBANY, April 19, 1864.

In several recent issues of your paper I have observed that you ascribe the present

inflation of the currency to the circulation of the State banks. As you make no exception in regard to the banks of this State, it is a fair conclusion that you embrace them in your censure; and in this spirit you call upon Congress "*to tax out of existence the State bank paper which has caused this present inflation.*" I look upon it as not a little singular that, in journals of conceded fairness, this inflation is ascribed solely to the currency issued by State banks. The Secretary of the Treasury stands confessedly at the fountain-head of irredeemable paper. He issues hundreds of millions in greenbacks, in legal-tender, in treasury certificates, and in certificates of indebtedness.

In addition, nearly all the currency that can be furnished by the National Banks is borrowed by the treasury and sent to distant points, where it is put in circulation by government agents. Now, I do not say that the Secretary of the Treasury has paid out one dollar, either of national or private currency, not demanded by the public exigencies. But in the face of facts so notorious, why attempt to separate effect from cause? Why single out the State banks for denunciation, as if they alone were responsible for the evils resulting from a redundant currency? Why not call upon Mr. CHASE to stop the hundreds of presses now engaged in inundating the country with the issue of banks established for the very purpose of flooding it with $300,000,000 of irredeemable paper? This much, at least, would seem to be demanded by consistency.

But I do not intrude upon your columns to defend the banks of other States. I have no means of judging how far they are amenable to censure on the score of an over-issue of currency. But for the banks of New York I can speak authoritatively; and as you invite for them, in common with others, the hostile legislation of Congress, justice requires an exhibition of the facts, and with this object I address you.

The public should be aware that all the plates of all the banks in this State, corporate, associated, and individual, are in my possession, sealed against use, and securely locked from reach of the banks. Not a dollar can be printed without an order from this department, and not a dollar is furnished save upon the deposit of security. Hence our books furnish an incontestible data of the amount of currency delivered to the banks. And what do we find as the result? I take the close of the fiscal year for ten years past as a criterion by which to judge the present, and it shows as follows:

Date.	Capital.	Circulation.
Sept. 30, 1854	$83,773,288	$43,962,535
do 1855	85,589,590	41,159,794
do 1856	97,806,301	43,492,485
do 1857	107,507,659	41,243,922
do 1858	109,996,550	35,607,180
do 1859	110,997,040	36,581,276
do 1860	111,884,347	38,034,800
do 1861	109,982,324	36,606,140
do 1862	108,606,062	42,289,836
do 1863	109,258,147	42,192,615
April 18, 1864	109,588,955	42,862,310

Thus it will be seen that the aggregate circulation issued and outstanding at this time *is more than a million of dollars less than in* 1854; *although the banking capital has increased more than* $26,000,000 *within that period.* The amount of circulation above stated includes all ever issued to the banks and not returned. More than a million of dollars belonging to institutions which have passed out of existence has probably been lost, burned, or otherwise destroyed. Then again, of the circulation thus standing charged on the books of this department *less than* $30,000,000 *was in actual circulation on the* 12*th of March*, 1864, as appears from the sworn statements of the banks just made, in obedience to law—the balance being in their possession, unissued. With these official facts and figures in view, will any person kindly inform the public where the charge of "inflating the currency" comes in, as it regards the banks of this State?

In the same paragraph to which allusion has been made, you charitably called upon Congress to "crush, once for all, the pretensions of a spurious states rights party to tax our national banks upon their national bonds." As I am one of those who hold that *all* capital should pay its just proportion of the public burdens, allow me to say a few words on this subject. And first, if the national banks ought not to be taxed

because they hold national bonds, by what parity of reasoning do you justify the taxation of State banks, who have invested their means in the same securities? The banks of this State hold more than their capitals in United States stocks. Are you in favor of *exempting their one hundred and nine millions of dollars of capital from taxation*, and throwing the burden on less fortunate persons and property? Again: A National Bank invests one hundred thousand dollars in United States stock, and receives ninety thousand dollars in currency; and you would "crush once for all" any person that should seek to tax it. A State bank invests the same sum in the same security, and receives an equal amount of currency, and you call upon Congress to tax the latter "out of existence." Is this justice? Will it be tolerated in a free community, with the ballot-box still within reach?

The times are too serious for trifling with important interests. The government needs the support of all loyal men, and it should be cautious not to alienate the good will of any portion of the community. Least of all should it be brought into collision with an interest so ramified with all the business relations of the country as the State banks. The Secretary of the Treasury, not content to leave his favorite scheme to the vindication of time and experience, invokes vindicative legislation, on the part of Congress, for the purpose of "taxing out of existence" institutions that have been recognised since the formation of the government as the legitimate offspring of State legislation, the rightful possessors of State privileges, and constitutionally amenable only to State control. Standing far above all State banks on the stream of irredeemable paper issues, he complains that these institutions befoul the currency so that he cannot abide it, and that redress can only be had by forcing them into liquidation through onerous taxation. Should these views be seconded by Congress, it is easy to see that disastrous results must ensue, both to government and people. The State banks, forced to a sudden contraction as the only means of avoiding ruinous taxation, cannot retain the securities they now hold, but must throw them upon the market for realization. The indications of a financial revulsion, more wide-spread and disastrous than any our country has yet witnessed, are so apparent, that no considerate man can view otherwise than with profound alarm, any public measure that shall threaten to hasten the catastrophe. With all deference to your suggestions, therefore, I cannot but hope that Congress will not be spurred into hasty action upon a subject fraught with consequences of the utmost importance to the Administration, the banks, and the country. Respectfully yours,

H. H. Van Dyck.

This letter shows that the amount of circulation *issued by the department* is, as we stated above, less than before the war; whereas, if we look at the last quarterly returns of the State Banks we will find that the amount actually *issued by the Bank* is still less than the figures the superintendant gives—they having out now only about thirty-six millions.

The question of taxing State and National Banks is one that has absorbed much interest during the month. It seems to be the desire of the Treasurer to free the United States organizations from all burdens, and to load them with privileges, while the contrary policy is pursued towards the old banks. In this way it is hoped all moneyed institutions will be compelled to organize under the United States law, and thus all banks be free from taxation, if the proposed amendments are passed. No more short-sighted policy than this could, in our opinion, be pursued. All admit that, in the future, there will be a necessity for greatly increased taxation. This being so, can any one be so blind as to suppose that every other interest in the country will contribute to the support of government and the payment of its debt and allow all our banks to go free? Remember, too, that these banks are organized with government securities as their capital, and that this taxation is to be laid to pay such securities, and that the laborer, the mechanic, the farmer, the merchant, the lawyer, will be called upon to pay their portions to thus fill the safes of Banks. In our opinion, if such policy be pursued, the time will soon come when these same corporations

will pray most earnestly to be taxed to free themselves from popular odium. This war is a war for the life of the nation. We are willing and desire to be taxed to support it, and to pay every cent of the debt that may be incurred in its prosecution. Nor do we expect that equal and exact justice can, in all cases, be measured out; but we do expect that the entire wealth of the country, without exception, shall be made to contribute in accomplishing this purpose.

During the session of the New York Legislator, which just closed, efforts have been made to exempt United States Banks from State taxation also. The bill now in the United States Senate proposes to accomplish the same thing by United States legislation. Whether this latter act will ever become a law time alone can tell. As the law now stands, their capital will probably be taxed by the State, until the decision of the Court of Appeals is reversed by the United States Court. This point came before the Court in the case of the Commissioners of Taxes and Assessments of New York *vs.* The Bank of Commonwealth. The defendant claimed exemption from the payment of taxes because its capital, beyond its real estate, was invested in United State bonds, which the United States law exempted. But the Court held that, under the State law, the *capital* was taxable, as such, and not the bonds in which it was invested: so that the question as to the nature of the investment could not come up in the case. The law under which this decision was made was passed by the New York State Legislature, April 29, 1863, and provides that "all banks, banking associations and other moneyed corporations and associations shall be liable to taxation on a valuation equal to the amount of their capital stock paid in, or secured to be paid in." Under this decision the capital of the United States Banks, as well as State Banks, will be taxed by the State, whatever it may be invested in, unless the bill in the United States Senate is passed, expressly exempting from every species of taxation the *capital* of these pet corporations. In the latter event, there will be direct conflict between State and National legislation, which can alone be settled by the Courts.

The following are our usual returns of the Banks of the three cities, brought down to the latest dates:

BOSTON BANKS.

Boston Banks. (*Capital, Jan.*, 1863, $38,231,700; *Jan.*, 1862, $38,231,700.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,..	$76,805,343	$7,508,889	$9,625,043	$32,525,679	$12,881,000	$12,351,500
" 11,..	77,747,784	7,531,195	10,185,615	31,524,185	12,703,600	11,019,000
" 18,..	75,877,427	7,464,511	9,963,389	31,151,240	12,041,000	11,769,000
" 25,..	74,146,000	7,440,000	9,729,000	30,893,000	11,106,700	12,227,000
Feb 1,..	73,959,175	7,385,413	9,660,163	30,655,782	10,825,000	11,854,500
" 8,..	71,765,122	7,265,104	9,579,020	30,030,292	11,315,000	12,272,000
" 15,..	71,088,849	7,224,924	9,741,471	30,412,647	11,615,000	13,448,000
" 22,..	71,074,000	7,215,500	9,411,000	31,831,000	11,329,600	14,925,400
" 29,..	72,189,003	7,179,310	9,371,440	33,155,886	12,224,603	16,189,724
Mar. 7,..	72,687,363	7,108,519	9,606,318	33,668,017	12,313,829	16,535,992
" 14,..	72,105,111	7,052,181	9,490,311	33,891,204	12,704,181	17,315,231
" 21,..	73,207,121	7,033,721	9,548,211	35,090,181	13,092,531	17,266,741
" 28,..	73,485,514	7,016,086	9,210,096	34,859,508	13,352,706	17,071,782
April 4,..	71,838,506	6,856,708	9,442,082	32,861,609	13,601,005	15,786,091
" 11,..	72,620,348	6,932,192	10,447,916	33,324,978	15,094,360	17,362,371
" 18,..	72,328,896	6,869,726	10,331,806	33,510,054	14,447,997	17,054,244
" 25,..	72,538,611	6,952,498	10,938,991	31,810,971	14,715,981	15,790,498

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan.*, 1864, $————; *Jan.*, 1863, $69,494,577.)

Date.		Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January	2,..	$174,714,465	$25,161,935	$6,103,331	$140,250,856	$300,753,147
"	9,..	173,009,701	25,122,002	6,032,546	134,861,977	387,546,217
"	16,..	165,991,170	23,884,264	6,008,182	130,311,046	416,962,806
"	23,..	162,925,880	24,077,513	5,949,807	130,136,203	460,811,543
"	30,..	162,296,896	24,203,632	5,913,558	130,665,415	427,306,608
February	6,..	163,076,846	24,070,791	5,974,762	133,849,042	425,430,985
"	13,..	165,090,829	23,521,453	5,916,707	140,464,616	467,751,745
"	20,..	168,302,935	22,523,918	5,908,394	148,014,106	514,887,411
"	27,..	174,928,205	22,301,687	5,907,851	154,875,059	575,442,304
March	5,..	182,317,378	21,188,034	5,937,167	158,999,668	518,951,433
"	12,..	189,757,746	20,750,405	5,918,807	168,044,977	638,822,273
"	19,..	198,229,513	21,059,542	5,889,197	169,687,975	618,338,858
"	26,..	199,872,437	20,425,504	5,514,139	168,315,904	576,258,989
April	2,..	203,993,131	19,526,665	5,708,908	171,151,297	676,372,745
"	9,..	204,333,192	20,924,287	5,804,511	170,513,020	658,352,112
"	16,..	198,703,699	21,687,670	5,779,650	168,350,790	646,593,643
"	23,..	196,286,722	24,868,003	5,679,947	161,978,166	672,442,840

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan.*, 1863, $11,740,080; 1862, $11,970,130.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,...	$35,698,808	$4,158,585	$2,055,811	$29,878,920	$4,816,768	$2,963,563
" 11,...	35,458,967	4,158,235	2,050,891	30,484,227	4,001,473	2,814,188
" 18,...	34,896,842	4,158,125	2,044,427	31,194,851	4,330,120	3,063,148
" 25,...	34,849,959	4,103,065	2,047,846	32,354,253	3,500,693	2,905,921
Feb. 1,...	34,345,126	4,108,109	2,056,532	32,027,147	3,453,431	3,271,806
" 8,...	34,146,677	4,102,671	2,066,069	31,033,030	4,080,059	2,461,873
" 15,...	34,590,880	4,102,748	2,069,061	29,911,704	4,322,609	2,080,750
" 22,...	35,059,676	4,102,588	2,119,488	30,783,741	4,463,751	2,099,778
" 29,...	35,519,704	4,102,848	2,167,348	31,435,753	4,837,264	2,114,227
Mar. 7,...	35,913,334	4,102,632	2,208,492	31,712,547	5,323,316	2,116,042
" 14,...	35,956,678	4,099,707	2,308,250	32,511,405	5,508,146	2,333,819
" 21,...	36,412,923	4,099,664	2,340,132	32,835,038	6,933,974	2,428,227
" 29,...	36,695,415	4,096,401	2,357,768	33,156,496	5,791,191	2,724,935
April 4,...	37,262,220	4,095,495	2,390,092	34,404,607	5,641,688	3,425,805
" 11,...	37,032,110	4,093,461	2,379,827	35,958,444	5,855,277	3,799,151
" 18,...	39,535,334	4,095,387	2,329,590	38,174,046	5,748,257	3,291,176
" 25,...	39,570,567	4,095,475	2,253,386	37,393,247	6,067,366	2,592,465
May 2,...	39,770,436	3,972,349	2,241,885	37,758,886	6,374,531	2,730,540

BANK OF ENGLAND.

The general state of affairs in the English money market remains very much as at the date of our last report. The rate of interest at the Bank, which had been lowered to 6 per cent, February 24, remained at that figure up to the payment of the quarterly interest on the public debt. At the adjourned meeting of the proprietors of the Bank of England, on the 22d of March, the payment of the dividend of 5½ per cent for the half-year was confirmed; and the leading features of the Bank were, and have since been, as follows:

THE BANK OF ENGLAND RETURNS.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 2,...	21,685,732	7,234,894	12,924,545	31,980,889	13,048,475	8 per ct.
" 9, ..	20,801,207	8,629,856	12,981,276	32,622,659	13,008,617	8 "
" 16,...	20,382,764	9,103,738	13,265,068	32,303,049	13,675,474	7 "
" 23,...	20,273,799	10,266,546	12,711,637	32,270,286	14,217,067	7 "
" 30,...	20,686,538	10,841,991	13,021,212	33,438,154	14,362,605	7 "

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Jan. 6, '64	21,822,804	10,001,982	13,052,604	33,486,952	14,196,754	7 "
" 13,...	21,396,420	5,264,097	15,411,794	31,726,575	11,708,597	7 "
" 20,...	21,445,793	5,689,074	13,879,877	31,445,860	12,974,109	8 "
" 27,...	20,875,825	6,337,246	13,406,627	31,017,449	13,022,220	8 "
Feb. 3,...	21,162,626	6,748,867	13,372,981	31,436,334	13,303,243	8 "
" 10,...	20,708,113	7,254,682	12,882,226	36,928,317	13,472,271	7 "
" 17,...	20,696,172	7,079,789	13,306,156	31,078,328	13,582,635	7 "
" 24,...	20,207,871	8,153,601	12,426,678	30,504,827	13,819,412	6 "
March 2,...	20,840,374	7,893,633	13,541,278	31,980,446	14,034,222	6 "
" 9,...	20,563,325	8,863,364	12,434,975	31,769,311	13,884,389	6 "
" 16,...	20,338,112	8,570,711	13,105,800	31,929,164	13,946,943	6 "
" 23,...	20,366,705	9,841,323	12,480,154	32,112,543	14,499,201	6 "
" 30,...	20,908,644	10,280,458	12,658,986	33,472,484	14,163,519	6 "
April 6,...	21,528,914	9,818,880	13,348,299	34,223,509	13,616,762	6 "
" 13,...	21,785,597	5,929,922	13,586,029	31,385,305	13,080,300	6 "
" 20,...	21,672,783	5,787,329	13,684,069	31,596,179	12,743,302	7 "

The public deposits, by regular gradation, rise and fall up to and at the quarterly dividend dates on the public debt. At the close of December they were £10,001,982, and $5,000,000 were paid out, increasing the circulation about £1,000,000, and diminishing securities £2,000,000. The deposits re-accumulated to April 1, when the payments again took place. The demand for specie meantime seems to have been regular, absorbing all that arrived, and the Bank about maintained its quota, keeping the rate of interest at 6 per cent.

BANK OF FRANCE.

In March, the Bank of France was enabled, also, to make a reduction of 1 per cent in the rate of discount—that is, from 7 to 6. But the charge for advances on deposits of shares and other securities remained at 7. The opinion is that the Bank might, without inconvenience, have made this reduction a week or ten days previous, or even further back: and farther reduction was expected, but this did not take place. The returns of the Bank are as follows:

BANK OF FRANCE.

	Loans.	Specie.	Circulation.	Deposits.	Interest.
January —	fr.751,649,983	fr.169,027,010	fr.813,490,825	fr.159,797,667	7
February —	705,516,796	182,573,888	775,096,775	160,110,225	7
March —	642,135,993	195,994,738	746,610,375	142,925,719	6
April —	643,570,276	219,320,720	759,926,425	133,701,530	6

These figures indicate the contraction which took place in the Bank's affairs, under the effort to keep down the rate of interest as long as possible. The Bank of France has also, since our last, made its first issue of 50f. ($10) notes. The issue was not a large one, at least in Paris. The notes have been readily accepted, and even sought for, by persons in communication with the Bank, and there is no doubt that they will be taken with equal readiness by the people generally. Notwithstanding that, the Bank Directors have always regarded small notes as an evil, a danger, and as repugnant to the public interest, and have consequently resisted as long as they possiby could an issue of them. The fact, however, that the notes are well received by no means takes from them their dangerous character, which is to promote expansion. Nevertheless, the general tendency of financial affairs throughout Europe is to expansion, and to promote the circulation of credit by applying it to productive sources. Very many new companies with this object are projected.

The council of State has not yet completed its examination of the statutes of the Societe Generale pour Favoriser le Commerce et l'Industrie—the new Credit Mobilier. The financial world is very impatient at the delay of the Council. The Company has received the sanction of the Government.

Negotiations were nearly completed for a Mexican loan in 6 per cent stock for the nominal amount of 28,000,000 sterling with the great houses of Rothschilds, Hottinguers, Fould Oppenheim, &c., Solomon Heine, Baring Brothers, and others. It is under the auspices of M. Fould, and will be officially quoted at the Paris Bourse. The contract price, it is said, will be 72. The old English 3 per cent debt of 10,000,000 sterling is not to be converted or disturbed; but the over-due dividends, amounting to 3,000,000 sterling, will either be paid or capitalised into 6 per cent new bonds. The Emperor elect of Mexico is very anxious that the English bondholders should surrender the mortgage they now hold on the Mexican Customs receipts, but they cannot be reasonably expected to relinquish so perfect a security unless their claims are honorably discharged.

Out of the loan, the claim of the French Government for war expenses will have to be paid:—it will probably amount to about £13,000,000.

A later date gives the following prospects of the loan which was all taken up promptly at a premium:

Empire of Mexico.—Anglo-French six per cent loan.—£7,790,000 representing a nominal amount of £12,365,000 at sixty-three per cent. In bonds to bearer, of £1,000, £500, £200, £100 and £50 each, with others of smaller amounts for the continental markets. With half-yearly coupons attached, payable 1st of April, and 1st of October in London or Paris.

Decrees of the Emperor Maximilian, dated 10th and 11th of April, 1864, and conventions entered into with Messrs. Glyn, Mills & Company, authorise the issue of bonds of the Mexican Empire to the extent of £12,365,000 sterling, bearing interest at six per cent per annum, payable half-yearly in London or Paris. Of this amount £8,000,000 bonds will be negotiated on account of the Mexican Government, and the remaining £4,365,000 on account of the French Government, by whom these bonds have been accepted in payment of expenses incurred in Mexico.

A coupon of three per cent, due the 1st of October, 1864, will be attached to the scrip, and will be received in part payment of the instalment of ten per cent due on the 15th of October, and subscribers will have the option of paying the instalments under discount, at the rate of six per cent per annum, on any of the days fixed for payment of the instalments.

The bonds will be expressed in francs, as well as in sterling, so as to admit of their negotiation in Paris and other continental markets.

Each bond will have attached to it half-yearly interest coupons, payable on the 1st of April and 1st of October of each year, in London, in sterling, at the bank of Messrs Glyn, Mill & Co., and in Paris, at the fixed exchange of 25f 20c per pound sterling at the bankers of the Mexican Government.

Out of the proceeds of the loan a sum equal to the four half-yearly payments of interest thereon falling due on the first of October, 1864, first of April, and first of October, 1865, and first of April, 1866, will be retained in the Caisse des Depots et Consignations of the French Government at Paris. The Mixed Financial Commission hereinafter described will be specially charged with the duty of providing, out of the funds so retained, for the payment in London and Paris of the said four half-yearly dividends.

Also, out of the proceeds of the loan, and under precisely similar arrangements, funds will be retained for the next four half-yearly payment of interest on the three per cent Mexican bonds held under the decree of October, 1850, and on the new three per cent bonds representing the capitalised arrears of interest thereon, as agreed to by the holders of the existing bonds at their recent meeting in London.

For the liquidation of the loan now to be contracted, a sinking fund, equal to one per cent per annum on the nominal capital of the loan, will be provided from the first

of April, 1869, and applied to the purchase in London and Paris of bonds of the various classes issued to represent the loan.

A Mexican Financial Commission will be at once established in Paris, and will be empowered to do all official acts necessary for the completion and issue of the scrip and bonds arising out of the loan, and also for the capitalization of the arrears of interest on the old bonds, and for other financial purposes.

At the first meeting of the Canadian Loan and Investment Company, March 12, it was resolved to make a distribution by way of interest at the rate of 5 per cent per annum, free of income tax. The report stated that the whole of the paid-up capital has been profitably employed in Canada, and that the directors propose to extend their business by raising additional funds on debentures.

The directors of the British and Californian Banking Company (limited) had concluded an arrangement with the well-known firm of Faulkner, Bell & Co., of San Francisco, for the acquisition of their banking and exchange business. Mr James Bell, of that firm, will be a local director at San Francisco, and Mr Henry D. Harrison, of the same house, will join the London Board.

THE RECIPROCITY TREATY—SHALL IT BE ABROGATED?

Whether our present commercial relations with Canada shall be continued is a question at present attracting much attention. We see the House Committee on Commerce have agreed upon and ordered to be reported, when that committee shall be called, a joint resolution authorizing and requiring the President to give notice to the government of Great Britain that it is the intention of the government of the United States to terminate the reciprocity treaty at the end of twelve months from the expiration of ten years from the time the treaty went into operation—viz: September, 1854—to the end, as it is stated, that the treaty may be abrogated as soon as it can be done under the provisions thereof; unless a new convention shall, before that time, be concluded between the two governments, by which the provisions shall be abrogated or so modified as to be mutually satisfactory to both governments. The President is also to be authorized to appoint three Commissioners, by and with the advice and consent of the Senate, for the revision of the treaty, and to confer with other commissioners, duly authorized therefor, whenever it shall appear to be the wish of the government of Great Britain to negotiate a new treaty between the two governments and the people of both countries, based upon true principles of reciprocity, and for the removal of existing difficulties.

This may all be very well—if we can obtain greater privileges than we now enjoy for those we grant, it is certainly well enough to obtain them. But is it not best for us to be a little careful lest we may loose rather than gain by a change. Certainly, prejudice against England or Canada should not blind us to our real interests. Whether England has treated us fairly during this war; whether Canada has sympathized with the South rather than with the North, are not matters at issue. We speak thus, knowing that the part England has taken in allowing privateers to be fitted out has justly excited prejudice against her, and having frequently seen this prejudice appealed to in the discussion of this question; clearly, however, this is a matter that should be decided on its own

merits. Is the country being benefitted by the treaty or is it not? If it is, then undoubtedly it should stand; but if not, it should be abrogated.

Nor is it worth while to prove that we do not under the treaty receive as many privileges and exemptions as we would like. It would, certainly, be agreeable if the Canadian tariff were made more favorable to us; if the fishing privileges were extended; if the use of the Canadian canals were freer. And it is clearly proper that authority should be given the government to seek to obtain an extension of our own rights in these respects, and to remove present restrictions. But whether the treaty should be abrogated, if we are unable to obtain all we desire, is an entirely different question. In this connection the following tables made up from the commerce and navigation reports for the several years, will be of interest—certainly those who have claimed that the treaty was an unmitigated evil will not find in these figures much to sustain them in their position.

STATEMENT EXHIBITING THE EXPORTS TO AND IMPORTS FROM CANADA AND OTHER BRITISH POSSESSIONS IN NORTH AMERICA, FROM JULY 1, 1851, TO JUNE 30, 1861:

Year ending 30th June.	EXPORTS.			IMPORTS.
	Foreign.	Domestic.	Total.	
1852	3,853,919	6,655,097	10,509,016	6,110,299
1853	5,736,555	7,404,087	13,140,642	7,550,718
1854	9,362,716	15,204,144	24,566,860	8,929,560
1855	11,999,378	15,806,642	27,806,020	15,186,734
1856	6,314,652	22,714,697	29,029,340	21,310,421
1857	4,826,369	19,936,113	24,262,482	22,124,296
1858	4,012,768	19,638,959	23,651,727	15,806,519
1859	6,622,473	17,029,254	28,154,174	19,727,551
1860	4,038,899	18,667,429	22,706,328	23,851,381
1861	3,861,098	18,883,715	22,079,115	23,062,933
1862	2,427,103	18,652,012	21,079,115	19,299,995
Totals*	31,603,362	135,522,179	171,628,779	145,183,096

	Increase each year over 1852.	
	Exports.	Imports.
1853	2,631,626	1,440,419
1854	14,057,844	2,817,261
1855	17,297,004	9,026,435
1856	18,520,324	15,200,122
1857	13,753,466	16,013,997
1858	13,142,711	9,696,220
1859	17,645,158	13,617,252
1860	12,197,312	17,741,052
1861	12,236,597	16,952,634
1862	10,509,016	13,189,995

Showing our total exports from the United States to the British North American Provinces since 1855 to have been	171,623,779
Imports to the United States from the same Provinces	145,183,096
Balance in favor of the United States	$26,444,683

* Since 1855, the time when the treaty went fully into effect.

We do not mean to say that this balance arises from goods free under the Treaty. These figures simply show the extent of the trade between the two countries, and the importance to us of continuing friendly relations, and fostering that trade. Of course, with such a balance, we should be gratified to have each article in the free list an "American Zollverein." But if Canada does not see fit to grant us everything we desire, is it, as we before asked, the part of wisdom to give up all reciprocity, and take the results of an opposite policy. Such a proceeding would, it seems to us, not be unlike that of the spoiled child, who, if it can't have its bread sugared all over, won't eat any bread.

In this connection it is also well to consider the importance, to us, of the free navigation of the St. Lawrence. Many are not aware that the use by the West of this avenue of communication with the markets of the world. is growing every year, or, at least, was doing so until the war broke out, which checked all similar enterprises; and if the Canadian canals are enlarged, so as to pass vessels of 1,000, or even 800 tons, its value to that portion of our country will be greatly increased. Every outlet those great States can have for their overflowing wealth, they should have.

The Detroit *Advertiser and Tribune*, one of the most enterprising papers in the West, gives the following carefully prepared statement, showing the vessels that have been engaged in this trade:

The schooner Lily was the first vessel that ever passed down from the lakes to the ocean, bound for an European port. Her destination was Liverpool. This was about the year 1846. She afterwards sailed in the Quebec and Liverpool trade, but was lost, we believe, on her third ocean voyage. Prior to 1858, the passage of vessels through the Welland Canal to the Atlantic was of rare occurrence, but owing to the tempting inducements held out for the shipment of the rich products of our forests and harvest-fields, public attention became gradually directed to the trade, and it was at last fairly inaugurated by the departure of the schooner Dean Richmond from Chicago, in 1856, with a cargo of wheat, and the barque C. J. Kershaw from Detroit, 1857, with a cargo of staves and lumber. During the years 1858–59, and '60, lake freight ruled low, which was the means of giving a great impetus to the ocean lake trade, and a large number of vessels embarked therein. In 1861, home freight began to improve, and nearly all the lake vessels employed in the ocean trade returned home. In the following list, we make no distinction between those which sailed for European ports, and those engaged in the Atlantic coasting trade. We may have made some slight errors regarding the date of one or two which cleared prior to 1856, but, otherwise, we think the statement is correct, as well as complete:

SAIL VESSELS.

1846.
Schooner Lily.*

1847.
Barque Arabia.*
Schooner Elizabeth.*

1848.
Barque Eureka.

1850.
Schooner Scotia.*

1854.
Schooner Cherokee.*

1855.
Barque Reindeer.*

1856.
Schooner Dean Richmond.

1857.
Barque C. J. Kershaw.
Schooner Madeira Pet, (English.)

1858.
Barque C J. Kershaw.
" D. C. Pierce.
" H. E. Howe.
Schooner R. H. Harman.
" J. F. Warner.
" D. B. Sexton.

Brig Black Hawk.
Schooner Col. Cook.
" C. Reeve.
Barque E. S. Adams.*

Barque W. S. Pierson.
Brig J. G. Deshler.
" Black Hawk.
Schooner J. F. Warner.
" Dousman.
" Grand Turk.
" Chieftain.*
" C. H. Walker.
" Evelyn Bates.
" Republican.
Barque Magenta.
Brig Indus.
Schooner Union.*
" Muskingum.
" Clifton.
" Energy.
" Alida.
" Typhoon.

Barque C. J. Kershaw.
" T. F. Park.*
" Pride of Canada.*
" Norman.*
Brig Globe.
" Caroline.
Schooner W. H. Merritt.*
" G. W. Holt.
" St. Albans.
" West Wind.
" Fashion.
" Sophia Smith.
" Charmer.
" Chief.
" Adriatic.
" George Laidlaw.*
" Milwaukee Belle.
" Valeria.
" Linnie Powell.*
" Neptune.*

Barque Ravenna.
" Niagara.*
Schooner Col. Cook.
" Caroline Simpson.

Barque T. F. Parke.*
Schooner Chieftain.*
Brig Sleipner (Norweign.)

Barque Ravenna, (two trips.)
Schooner Correspondent.
" Harvest.
" Pamelia Flood.

1859.

Barque Allies.*
" Massillon.
Brig Caroline.
Schooner Gold Hunter.
" R. H. Harman.
" Valeria.
" Vanguard.
" St. Helena.
" M. S. Scott.
" Hugh Barclay.
" Messenger.
Brig Sultan.
" Kate L. Bruce.
Schooner Kyle Spangler.
" Adda.
" Metropolis.
" W. B. Castle.
" Sarah Hibbert.

1860.

Barque E. S. Adams.*
" Illinois.
" Niagara.*
" Alexander.*
Brig J. G. Deshler.
" J. H. Harmon.
Schooner Chieftain.*
" H. N. Farnham.
" Twin Brothers.
" Twin Sisters.
" White Cloud.
" Plymouth.*
" Forest City.
" Gem.
" Lewis Spannier.
" J. F. Warner.
" Reindeer.*
" Indian Queen.*
" Orkney Lass.*
" R. H. Harman.

1861.

Barque Alexander.*
Brig J. G. Deshler.
Schooner Gold Hunter.

1862.

Barque Prince of Wales.*
Schooner Bridget.*
" Sirius.

1863.

Barque D. Cornwell.

Brig Cressington.
Schooner Clarebel.
" Vanguard.
" Skjoldoman, (Norweign.)
Brig J. G. Deshler.
Barque Sleipner, (Norweign.)
Schooner Howell Hoppock.
" Owen Bearse.

STEAMERS.

America.
Peerless.
Niagara.
Northerner.
La Crosse.
Gordon Grant.
Oswego.
Cushman.
Decatur.
Mary Grandy.
Uncle Ben.
President.
G. W. Gunnison.
Canada.
Maple Leaf.
New York.
Salvor.
Dallas, (U. S. Revenue Cutter.)
George O. Vail.
Lady Franklin.
A. A. Turner.
Detroit.
Sentinel.
Maria Love.
Perry.

* Canadian.

RECAPITULATION.

Total clearances sail vessels, prior to 1858,	10
Clearances of sail vessels in 1858,	13
" in 1859,	37
" in 1860,	39
" in 1861,	7
" in 1862,	6
" in 1863,	11
Total clearences of steamers,	25
Grand Total,	148

PARTIAL HISTORY OF THE VESSELS.

Of the large number of our lake vessels which have engaged at one time or another in the European trade, the Kershaw and Chieftain are now almost the only ones remaining in it. They are, we believe, own on the Black Sea. The D. B. Sexton, after paying for herself two or three times, was finally lost about a year ago in the Straits of Gibraltar. The D. C. Pierce was sunk at Norfolk by the rebel pirates soon after the war commenced. The barque H. E. Howe was sold in London in 1859, and the brig Caroline in 1860, and we have now no trace of their whereabouts. The brig J. H. Harmon was lost between Cape Breton and Halifax, in the fall of 1860. The Messenger was condemned and broken up at Brooklyn. The Caroline Simpson, which left Genesee river in 1861, was employed for a while in the coasting trade, making Jacksonville a point, but we last heard from her at Gibraltar. The Adda was lost about three years ago. The W. B. Castle was also lost. The Indus, after being wrecked, was towed into Philadelphia and converted into a brig. The St. Helena was chartered a few years ago for the coast of Africa, at a high rate per month, and went out with a cargo of lumber, but was lost. The E. S. Adams was lost in 1863 on Lake Erie. The Kyle Spangler was also lost. The Black Hawk, after weathering the gales during two voyages to Europe, was lost in 1863, off Point aux Bec Scees, Lake Michigan. The Sirius was lost the same year of her departure. The Harvest was sold at Rio a few years since. She was heard from at Buenos Ayres, a year ago, and is probably still running between Rio and Buenos Ayres. The Republican, after many profitable voyages in the coasting trade, was finally wrecked on the Florida coast. The D. C. Pierce is not the only lake craft connected with the events of the rebellion. The Canada, (chang-

ed to Coatzacoalcos,) one of the fine large steamers purchased by N. P. STEWART, of Detriot, and taken over the rapids of the St. Lawrence, is in service in our navy, and has an 80-pounder mounted amidships Her consort, the America, was wrecked off the Texan coast. The wrecking tug Salvor, which will be remembered by thousands in our lake cities, was fitted up for a slaver, but matters did not work satisfactorily in this interesting branch of commerce, and, when the war broke out, she was in the cattle trade between Brazos and Cuba. The Gunnison is now a rebel gunboat, stationed in Mobile bay. The steamers Peerless, Maple Leaf, Niagara, New York and Northerner, were all bought by our government in 1862, and fitted up for transports. The three former were bought from Canadian owners. Among the steamers are several tugs, which are employed in towing at various points.

Messrs. CUNNINGHAM & SHAW, of Liverpool, have now fitted out a line of A1 vessels to run regularly between that city and Detroit and Cleveland. The Ravenna and Deshler, (the name of the latter changed to the Cressington,) form part of the line. As these gentlemen are thoroughly versed in the trade, the movement shows pretty conclusively that it can be carried on with profit.

We see that the Detroit Board of Trade had this subject of the abrogation of the Reciprocity Treaty before them not long since and several of the members discussed it very ably. The following remarks made on the occasion referred to by R. HAWLEY, Esq., of that city, contain many interesting suggestions and statements, and show a clear appreciation of the question at issue. This meeting at which the discussion took place was in February last. The general subject being before the Board, Mr. HAWLEY offered the following resolutions:

Whereas, The Board of Trade of the city of Detroit, has had the Reciprocity Treaty under consideration for several weeks past; therefore

Resolved, That they are of the opinion that the operation of said treaty is beneficial to the United States, as well as to Canada and the other British Provinces of North America, and that they see no reason to desire its abrogation.

Resolved, That they believe further, that if the respective governments interested would inaugurate a system of moderate duties on manufactured goods, it would impart additional force and efficacy to the treaty itself.

Resolved, That, inasmuch as we are united geographically, and by numerous lines of railway intercommunication, as well as by the higher ties of relationship, language and religion, we should ever cherish and manifest those fraternal feelings which we hope sooner or later will pervade the world.

In support of these resolutions Mr. HAWLEY spoke in substance as follows:

As a Board of Trade, we are convened to discuss a topic as important as any that ever came before us. Let us approach it, then, in a spirit of moderation and candor, not animadverting severly upon men or measures, unless fealty to truth and duty shall require it. Mr. HAWLEY then stated that at the threshhold of our inquiry we were met by three views. The first is the proposition laid before Congress by Mr. WARD, Chairman of the Committee on Commerce, February 5, 1862, to the effect that there should be free trade in its broadest sense between Canada and the United States. There should be, he maintained, no custom houses, and commercial intercourse should be in every respect similar to that instituted by the Zollverein, between the German States. But, however pleasant that picture, it was, nevertheless, impracticable, there being insuperable obstacles in the way. Canada was under obligations to the mother country, and could not open her ports to us, and refuse the same privileges to the former. Others insist that the treaty should be abrogated as contemplated in the original resolutions. An intermediate or middle view of the question has attracted considerable attention. That view is taken in the resolutions, before us, and has

been taken by the Boston Board of Trade. WILLIAM B. SPOONER and COLONEL ASPINWALL, prominent members of that body, had urged that the treaty should not be abrogated, but modified. Their remarks had special reference to duties improperly levied on articles outside of the provisions of the reciprocity treaty. Mr. SPOONER singled out molasses as one of the articles in this category. The President of the Board urged that circumstances required a change, and it became an interesting and momentous question what the nature of that change should be. In it was involved that vitally important consideration, good will between nations.

The first provision of the treaty, continued Mr. HAWLEY, secured to the United States the important fisheries off the coast of the British North American Provinces. We all remember the trouble and strife regarding these fisheries before the formation of the treaty. The boundary was a water line, and naturally became a question of dispute. Revenue cutters were stationed in the vicinity of the grounds, and war was for a time imminent. This treaty was negotiated, and the first good fruits the measure brought us, was the settlement of this vexed question. It secured to us all the rights pertaining to the free use of the fisheries, excepting shell fish, and the taking of fish at the mouth of rivers. He regretted that he was not definitely posted as to the value to us of these important privileges. They had been estimated at $12,000,000. He did not know that this was a reliable estimate, but they were certainly very valuable. The tonnage of Massachusetts shipping engaged in the cod and mackerel fisheries, in 1854, exceeded 100,000 tons.*

This question should be approached very carefully. Mr. SABINE, of the Boston Board of Trade, had prepared elaborate tables bearing upon the question, and, so far as concerned our government, it must be admitted that great care and deliberation had been used. The author of the pending motion to abrogate the treaty, Mr. MORRILL, had recently made a speech in favor of his motion. In that speech Mr. MORILL asserts that in the treaty of 1818—the last treaty made defining our right in those fisheries—our Government had weakly surrendered the same. This treaty was negotiated under JAMES MONROE, a statesman of whom it was said, by his distinguished and honored successor in office, JOHN QUINCY ADAMS, that he was "unwearied in searching for the right, patient and courteous in collision of sentiment, sound in his ultimate views, and firm in maintaining them." It was signed by distinguished American statesmen, ALBERT GALLATIN, RICHARD RUSH, and others. I mention this to show that Mr. MORRILL is not over scrupulous in throwing out imputations upon men and measures when they come in conflict with his views of public policy. Another circumstance worthy of note is that the only Senator who desired his vote recorded

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* One, and perhaps the most important privilege we receive, from the provision of the Reciprocity Treaty respecting fisheries, is the right to land on the "coasts and shores" of the Colonies, and dry our nets and cure our fish. Previous to the treaty the disadvantages we labored under were very great. Our fishermen were compelled to go out to the banks in "large vessels fitted at great expense, and with crews averaging nine men to every schooner of ninety tons burden, and extending their voyages for many weeks;" while the colonists could carry on their fishing entirely in small boats with perhaps not more than two men in each, who returned to their shores at the close of each day's work, and landed, and cured their fish. Then, too, when our fishermen's vessel was full, he must return to the port from whence he started, unload, clean and refit his vessel for the balance of the season, thus losing, perhaps, two weeks of very valuable time. In consequence of such unequal privileges, we could not, of course, successfully compete with the Canadians, either in our own or foreign markets. The Treaty changed all this by giving us the right to land and cure our fish, &c., a right which our fishermen will not willingly give up.—ED. HUNT'S MERCHANTS' MAGAZINE.

against that treaty was Mr. Foor, of Vermont, and now the motion to abrogate it, comes from a member of the House from the same State. It is a little singular that Vermont, a State not particularly noted as an agricultural region, and not having so great an interest in the treaty as some other States, should be foremost in declaring hostility to it. He was glad to believe that Mr. MORRILL did not represent the views of the administration. Before another session of Congress, the time transpires when notice may be given for the abrogation of the treaty, yet the President has never intimated that he believed its workings were prejudicial to the best interests of the country, as it was clearly his duty to do, if such were his convictions. Nor had Mr. CHASE made any allusion to it. I am happy, therefore, to believe that the administration are not disposed to support the policy of Mr. MORRILL. The speech of the latter gentleman breathes ill will and war. He begins by attacking the treaty of 1818, a treaty which cemented the United States and Great Britain together in peace and good will, and believes we ought to fall back on the treaty of 1783. If we listen to his advice, and disregard the treaty of 1818, the next move will be to abrogate the principles of international law. In fact, he plainly tells us the time is coming when nations will no longer be allowed to map out the ocean, and fisheries will be free to all the world.

The second article of the treaty secures to the people of the United States the navigation of the canals of Canada and the River St. Lawrence upon the same terms as those privileges are enjoyed by the people of Great Britain. Mr. MORRILL, in his speech on the subject, says that if we used these privileges, they might be of some advantage to us, but for the first six years succeeding the treaty, only forty craft of small tonnage, passed out to the ocean, thus seeking to create the impression that the trade is only a very small affair. Let me say that he is under the mark here. Up to 1861, according to the Detroit *Tribune* of that year (the exact date not remembered) sixty barks, brigs, schooners and propellers had passed down from the lakes to the ocean, only three of them Canadian vessels, and of the whole number, only two, up to that time, had been wrecked. Mr. MORRILL leaves this part of the treaty, with which the maritime interests of the great Northwest, present and prospective, are so intimately blended, with this one sided statement.

Mr. HAWLEY proceeded to give official statements and statistics showing the extent of our commerce that passed the Welland Canal. This outlet was, according to these statements, of vast importance to the great West, and to New York. It is due to our great lake cities, and their growing trade, that we secure as direct communication with Europe as possible. He had perused a carefully prepared article embodied in a report, made two or three years since by the Secretary of this Board, in which it was urged that the most profitable communication between the lake ports and Europe must be direct and *via* the St. Lawrence river. It is estimated in that report that a line of screw steamers might be profitably maintained between Detroit and the ports of Great Britain, and that a net gain of fifteen thousand dollars might be realized from each trip. He (Mr. HAWLEY,) did not think this estimate too high. He was casually informed by the master of a sail vessel that had made the round trip across the ocean, taking out to Europe a cargo of wheat, and returning with crockery, that ten thousand dollars had been realized, and the venture was every way prosperous. Only thirty-one days was consumed on the voyage from Detroit to Liverpool, and thirty-seven on the return trip until he reached the docks of Cleveland. This Captain speaks with entire confidence of the feasibility of prosecuting this trade, and, indeed, we have at this day a line of vessels advertised in our daily papers, making Detroit their headquarters, already composed of six vessels, to which others are to be added. Mr. President, when we remember the interest which this trade attracted in its infancy, when only an occasional vessel left the great lakes for Europe, and consider its gradual growth, ought we to be prepared, without special and weighty reasons, to give it up?

We come now to the main provisions of the treaty. Mr. MORRILL states that, before the treaty was instituted, the balance of trade was greatly in our favor,

but since then it is against us, thus subverting the ancient and well defined laws of the trade. If this be correct, it would certainly be questionable whether the advantages we enjoy would justify us in maintaining commercial relations upon the present basis. But we have tables that prove conclusively the exact reverse of this assertion. In 1853 the balance in our favor was less than $3,000.000. In 1852—the last year for which we have full tables—it had more than doubled, amounting to fully $7,500,000. Thus we have more than doubled our balance of trade, and more than doubled the amount we have sold to Canada. In the report of the Secretary of the Treasury to Congress for the fiscal year of 1863, he makes the balance in our favor a little under $6,000,000. He says it appears that the domestic products and manufactures exported to Canada under the treaty for the fiscal year ending June, 1863, amounted to about eighteen millions, five hundred thousand dollars. The imports from Canada, for the same period, were twelve millions, eighteen hundred and seven thousand dollars. Mr. MORRILL reiterates the assertion that Canada sells to us under the treaty, but she refuses to buy of us. In the face of this reckless assertion, we have the statement authoritatively made, that for the eight years beginning with 1855, and ending with 1862, inclusive, the whole balance in our favor amounted to the handsome sum of $36,228,236!

The trade between Detroit and Canada is large. I have the returns of goods received at Windsor, in 1855, from our side. In that year, there was received at that port dutiable goods from this side to the amount of $113,053. In 1860, notwithstanding the increased duties under the Canadian tariff, the dutiable goods amounted to $180,307, showing a large gain. It is true that since 1860 there has been a large decline in the amount of dutiable goods purchased on this side, but this is owing to the great advance made by our tariff, the scale of duties having been raised twice since that year. Our neighbors, therefore, cannot trade with us on the same terms as they can with Lower Canada. Upper Canada prefers to trade with us, and did so before these late advances.

Many of us have misapprehended the object and spirit of the Canadian tariff. Some of our people have asserted that it was enacted in bad faith—that by their tariff of 1858, they sought to take an unfair advantage. Undoubtedly it was disadvantageous to us, and we lost considerable by it. The Canadians say, and probably with truth, that the necessity for the course they took was imperative, in order to provide means to liquidate the interest on their public debt. They also hoped, in this connection, to make a move towards fostering domestic manufactures. Jackson like, they adhere to a tariff for revenue, and, incidentally, for protection. But their tariff is not so onerous as many seem to suppose. The duty is only seven and a half per cent *ad valorem*, higher than it was in 1854—while at the same time many articles upon which a duty of two and a half per cent had previously been imposed, were placed upon the free list, thus benefiting many branches of our domestic industry. Salt is one of these articles. We all know that Michigan is immensely interested in the salt manufacture. In one year, 1862, salt was shipped to Canada amounting to $269,000. This is certainly a very important trade, and is destined to become still more so. The article has a cheap and ready transit across the lake to Goderich, where it takes the cars of the Buffalo and Lake Huron railway, and by reason of its connections at Stratford with the Grand Trunk, and at Paris with the Great Western, it finds an easy access to all parts of the Province.

The supposition that Canada has discriminated against us, and in favor of Great Britain, is clearly an error. She has simply placed the two countries on a common platform. Mr. MORRILL would have us believe that Canada has made successive advances in her scale of duties, which is not the case. On the contrary, they have receded, and reduced the rate on some articles to a material extent, and I am credibly informed that the present government have intimated that at the next session of Parliament a further reduction may be expected. The Minister of Finance seems to take a just and liberal view of the matter, taking the ground that high duties do not increase the revenue. For example, a duty of ten per cent on watches and jewelry had brought in a much larger

revenue than that derived from the same source under a tariff of twenty per cent. Permit me to say that, in view of our own exceedingly high tariff, we ought to be moderate in our complaints against our neighbors. Before the rise, our scale of duty was five per cent above theirs. Now there is a still wider difference, and pardon me if I express the conviction that a reduction would work an increase in our revenue. An excessively high tariff is not only a powerful temptation to smuggling, but it leads to all sorts of substitutes for those commodities upon which such tariff is imposed. Take teas and coffees, for example, those articles once in universal use. How much of these articles are now used by the poor? We need not go beyond our own city to demonstrate the injurious tendencies of a high tariff. We once had several refineries, the proprietors of which brought crude oil from Canada, but they were compelled to relinquish their business, thus putting a stop to the prosecution of an important industrial branch in our midst.

Our largest furniture manufacturer states that, while he sells liberally to the Canadians, notwithstanding their twenty per cent duty, that he has been deprived of the benefits accruing to his business, from the importation of walnut veneers from Canada. It appears that they have there a beautiful wood, and the requisite machinery for taking the veneers directly from the trees, and that he enjoyed a large trade with them in this, one of their articles of domestic manufacture, until the MORRILL tariff came with its thirty-five per cent *ad valorem* duty and cut it off.

A proprietor of one of our large paper hanging establishments informs me that owing to the high duty our tariff levies upon French paper they have entirely discontinued dealing in it. Do we need any other facts to stamp the MORRILL tariff as one that is largely prohibitary; if so let it be noted that salt, from having in the previous bill paid a duty of four cents per bushel, is now subject to a duty of from 18 to 24 per cent.

And the Holy Scriptures, which are free in the Canadian tariff, which Mr. HOWARD calls a high one, pay a duty in our own of twenty per cent. How strangely the policy that Mr. MORRILL and his coajutors would bind upon us, contrasts with that pursued by the leading nations of Europe. While they are bursting the fetters imposed upon commerce in a bygone age, we are asked to repeal the only earnest that we have of a brighter commercial day for these United States. England has not only repealed her corn law, and thus invited our agriculturists to a generous competition with her own farmers in breadstuffs; but she is carrying on this work of reform; and hops, now a large article of export, are placed upon the free list. Besides, by virtue of a commercial treaty, or reciprocal legislation, France and Great Britain have brought down their tariffs upon their respective manufactures, to an approximation to perfect free trade. We live in a day when we are called upon to assist in settling this as well as other great questions of public policy. And in doing so we will cherish the hope that we shall be guided by an enlightened self-interest, ever remembering that what is true of individual life is equally true of national life, that while there is "that which withholdeth more than is meet and that tendeth to poverty, there is that which scattereth around and yet increaseth."

The speaker next produced statistics to show that Canada drew large balances from Great Britain, which she had to pay to the United States. He had conversed with many of our merchants, who considered themselves benefited by the operations of the treaty. An objection had been urged, that the white wheat flour sent from the west meets with a rival in the Canadian product; but we are more than compensated in the amount of our red wheat flour sold to Canada. In 1862, we sold them flour to the value of $1,000,000, besides wheat to the value of $4.000,000.

The speaker referred to some remarks of Mr. MORRILL, wherein he sought to magnify the New England at the expense of the foreign market. Mr. MORRILL had stated that "Europe presented no opening for United States or Canada productions except in seasons of deficiency, and the Northern and Eastern States present the only reliable markets for Canada, as well as for the West." Mr.

HAWLEY proceeded to combat this assertion by presenting an array of figures exhibiting the amount of breadstuffs sent from the United States to Great Britain for a series of years, proving the exports of that article to have been very heavy.

Mr. MORRILL states that in 1858 and 1859 our exports of wheat and flour to England were only $1,736,152. Whereas our own trade and navigation reports show that for one of these years, 1858, they were $9,911,498. I have not access to our returns for 1859, but let this suffice to show how little credence should be given to statements of facts contained in that gentleman's speech. It appears that our entire domestic exports to England for this same year, were $151,573,714, of which $115,673,958 were shipped in American vessels. From the same authority we learn that we exported to Canada in the year 1858, wheat and flour to the value of $3,763,720, being $98,000 more than Canada sold to us in both 1858 and 1859.

Mr. MORRILL mourns that the people of his section had extended to the Grand Trunk Railway the right of way to Portland, thereby securing the company a line of intercommunication extending from Detroit to the seaboard. He claimed that Mr. MORRILL did not represent the wishes and feelings of that section of country. As they had previously granted the right of way to the Atlantic and St. Lawrence railway which had penetraited their territory, thus enabling them to see something of the British Lion, and though they may not have heard his roar, they had seen him shake his mane and paw the ground, but he had no terrors for them. They rather hailed these international courtesies and fraternal manifestations as the faint harbingers of that day of glory described in Isaiah, xi. and 6th, "The wolf also shall dwell with the lamb, and the leopard shall lie down with the kid; and the calf and the young lion, and the fatling together; and a little child shall lead them."

When a large delegation of this Board visited Portland last summer, did they hear any of the lamentations exhibited on the part of Mr. MORRILL? If this system of intercommunication did not exist, would we see the bustle and life in Detroit that we now witness? A large share of this trade would pass to the seaboard *via* the south shore of Lake Erie, and never come near our city. We all remember the joy occasioned by the completion of the Great Western Railway. Since then we have gone on in the same spirit, never doubting that we were traveling on the road that leads to prosperity and greatness. The Grand Trunk had not only knocked at our doors, but had actually walked in without any financial assistance from us. The diversified and increasing products of the teeming West require every accessible facility to enable them to reach the seaboard, and even then they are sometimes inadequate. In some cases, as high as twenty-five cents a bushel had been paid for transportation between Chicago and Buffalo.

But Mr. MORRILL says that as we do not allow foreign vessels to share our coasting trade, that we must not allow Canada Railways to participate in our carrying trade, no matter if we do save one hundred miles in distance between Detroit and Buffalo, or if the agriculturalists of the far West should have to suffer an additional loss of ten or twenty cents a bushel upon their wheat, this whole policy must be broken up.

As to the constitutional objection of the learned and able speaker yesterday, (Mr. HOWARD) he thought we were not sitting as a court to determine that point, but it seemed obvious that if Mr. MORRILL, and those acting with him, believed the treaty unconstitutional, they would at once appeal to the Supreme Court. The Constitution says that all measures for raising revenue must originate in the House of Representatives, but this is not a measure for raising revenue; it is a treaty of amity and commerce.

He referred to the argument of Mr. HOWARD, that if this treaty remained in force, other nations with whom we have treaties would have a right to demand the same terms. This point will not bear scrutiny. If you can find another nation possessing the power to extend the same privileges as those we enjoy from Canada, we should then have a parallel case. What country can furnish

us an outlet for our products to the coast? What nation can grant us the other privileges secured to us by this treaty? Mr. HOWARD has told us that it originated with those in the interest of the South. This is denied; it is understood that the measure originated with the commercial men of New York and New England, but in either case the merits of the question are not affected. If it works well for us we will not reject it from such considerations. We should

"Seize upon truth wherever found,
On Northern or on Southern ground."

We may give Mr. HOWARD credit for sincerity in his belief that the South engineered this measure through for the purpose of keeping Canada out of the Union, but this supposition is contrary to all experience. We certainly do not make a practice of granting privileges and favors for the purpose of driving the recipients from us.

In conclusion, I have only to request that this Board will endeavor to arrive at such a conclusion in the premises as is demanded by the best interests of our city, our State, and the country at large.

LEGAL-TENDER NOTES.—HAS CONGRESS THE POWER TO MAKE NOTES A LEGAL-TENDER?

OPINION OF JUDGE SHARSWOOD, OF PENNSYLVANIA.

WE have published in previous numbers of the MERCHANTS' MAGAZINE the opinions of Judges of the Supreme Court and Court of Appeals of New York State, on both sides of this important question. Until the United States Court decides the point at issue, every well digested opinion whatever view it takes is valuable. In fact as merchants and bankers we need all the light we can obtain on this question, that we may know how to shape our course. If there is no doubt as to the power of Congress, the weakness of the opposite view is best shown by the opinions of those who support that opposition; if there is doubt, we all want to know it, that we may be prepared for whatever view finally prevails. Our own opinion we have never expressed in these pages, for the reason that the question is in the hands of the Courts, and what any individual may think is of no importance. We only desire that our readers should judge for themselves after reading the arguments of men learned in the law, and who have conscientiously, as we must suppose, reached opposite conclusions. The opinion of Judge SHARSWOOD, of Pennsylvania, which we give below, as been handed us with the request that we publish it—our readers will find it a passionless and carefully prepared judicial document. It has elicited much attention not only in his own State, but throughout the country, and we therefore gladly make room for it. The case in which it was delivered was decided about the first of March last by the District Court in Philadelphia, and arose out of the fact of the defendant's offering legal-tender notes in payment of a mortgage which the plaintiff refused to receive. In an action on the mortgage by the plaintiff the defendant's plea was this tender, and thus the constitutionality of this provision of the act came in question. The Court held that the act was constitutional, but Judge SHARSWOOD dissented believing the legal tender clause was unconstitutional. We have not the opinions of the other Judges, but shall hope to give them

hereafter. For the present we would refer such of our readers as wish to compare the arguments of those reaching the opposite conclusion, to the July number of 1863, page thirty-eight, and the January number of 1864, page sixty, of the MERCHANTS' MAGAZINE. The following is the opinion of Judge SHARSWOOD:

OPINION OF JUDGE SHARSWOOD.

If any point may be considered as well settled it is, that the Constitution of the United States is a special grant of delegation of limited powers to the Federal Government. "It has been truly said," observes C. J. MARSHALL in the United States *vs.* FISHER (2 Cranch, 212,) "that under a Constitution conferring specific powers, the power contended for must be granted or it cannot be exercised." The same thing has been affirmed by Mr. Justice STORY in MARTIN *vs.* HUNTER'S Lessee (1 Wheat. 326.) "The Government of the United States can claim no powers, which are not granted to it by the Constitution, and the powers actually granted, must be such as are expressly given, or given by necessary implication." And not to multiply citations—on so clear a principle—again by C. J. MARSHALL in MCCULLOUGH *vs.* the State of Maryland, (4 Wheat. 405.) "This Government is acknowledged by all to be one of enumerated powers. The principle that it can exercise only the powers granted to it, would seem too apparent to have required to be enforced by all those arguments, which it's enlightened friends, while it was depending before the people, found it necessary to urge. *That principle is now universally admitted.*"

It follows that to sustain the constitutionality of an act of Congress—to determine that it is a law—an authority for it must be affirmatively shown. That authority must exist in the Constitution in express words or the act must appear to be necessary and proper for carrying into execution some power or powers vested in Congress, in the Government of the United States, or in some department or officer thereof.

By this rule we are now to decide, whether that clause of the act of Congress approved February 25, 1862, entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," which provides that the notes issued in pursuance of that act "shall be lawful money, and a legal-tender in payment of all debts public and private"—is or is not a law of the land.

The counsel of the defendant—recognizing that on him rested the burden of maintaining the affirmative of this issue—claimed that the provision referred to was an exercise of authority vested in Congress under one or other of the following clauses of the enumeration in Section 8 of Article 1:

Paragraph II.—To borrow money on the credit of the United States.

Paragraph III.—To regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

Paragraph V.—To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures:

Paragraph XVIII.—To make all laws, which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by the Constitution in the Government of the United States, or in any department or officer thereof.

I propose to examine these clauses with such other parts of the Constitution as have been supposed in the course of the argument to illustrate them. I feel some degree of confidence, not only from the well-known ability, learning and research of the counsel for the defendant, but from my own investigations, that if the act of Congress in question cannot be sustained on either of these clauses, it cannot be sustained at all.

I will begin with the last paragraph of the enumeration, because its proper construction has an important bearing on the others: Par. 18. "To make all laws which shall be necessary and proper for carrying into execution the foregoing powers." I will not here revert to political and controverted grounds, nor to the

arguments, by which in the *Federalist*, No. 44, and elsewhere, the objections of the enemies of the Constitution to the sweeping words of this clause, were met and answered by "its enlightened friends." I mean to take exclusively as my guide the principles judicially settled by the Supreme Court of the United States in the leading case of McCULLOUGH *vs.* the State of Maryland, (4 Wheat. 316.) The rule established in that case is well expressed by the reporter in the syllabus. If the end be legitimate, and within the scope of the Constitution, all the means which are appropriate, which are plainly adapted to that end, and which are not prohibited, may constitutionally be employed to carry it into effect. Let us recur, however, to the very words of the opinion as delivered by C. J. MARSHALL. "We think the sound construction of the Constitution must allow to the National Legislature that discretion, with respect to the means, by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, and which are not prohibited, but consist with the letter and spirit of the Constitution, are Constitutional." P. 421.

This is certainly a very large charter to the discretion of Congress, yet as a rule for judicial cases, I am willing to accept it. It is apparent, however, from the very terms in which the principle is enunciated, that this discretion is not without limits.

It is not Congress which is to be the final judge as to whether a measure is necessary and proper for carrying into effect any of the delegated powers. Were it so, the enumeration would have been a vain and delusive mockery, and the fundamental principle that the Federal Government is one merely of limited authority, an unmeaning formula of words.

The limits plainly set in this language are these: 1. The end must be legitimate and within the scope of the Constitution: 2. The means must be appropriated and adapted to the end: 3. The means must not themselves be prohibited, but consist with the letter and spirit of the Constitution.

There is, however, another limitation upon the discretion of Congress in the choice of necessary and proper means. It is clearly stated in McCULLOUGH *vs.* the State of Maryland, and indeed the principle of it may be considered to have ruled that case. I quote again the very words of the opinion.

"The power of creating a corporation, though appertaining to sovereignty, is not like the powers of making war or levying taxes, or of regulating commerce, a great substantive and independent power, *which cannot be implied* as incidental to other powers, or used as a means of executing them." (4 Wheat. 411.)

I understand the Supreme Court in this language to lay down the simple and reasonable—I might, perhaps, say the self-evident proposition, that no one enumerated power can be incidental to another enumerated power. Three cases are stated as examples of substantive powers, but clearly only as examples. We have no right to say that any one of the express powers is more substantive and independent than another. Their very expression authoritatively stamps their character. If, therefore, a power is delegated, but in terms which import a limitation or qualification, it cannot be exercised as incidental to some other power, disregarding the limitation or qualification annexed to the express grant. Indeed, such limitation or qualification may be considered as a prohibition against the exercise of that power in any other way, and, therefore, within the limit which the Supreme Court places upon the discretion of Congress in the enunciation of the general principle; viz: that Congress cannot employ a measure, however necessary and proper it may be for carrying into effect some express power, if that measure has been prohibited.

I pass now to the consideration of those grants from which, by the aid of the last paragraph of the enumeration, it is contended that Congress have authority to issue what this act calls "United States Notes," and to make them a legal-tender in payment of all debts, public and private.

I. "To regulate commerce with foreign nations and among the several States and with the Indian tribes." Art. 1; sec. 8; par. 3.

It must be admitted that standards of value and of weights and measures are means very appropriate and adapted to the regulation of commerce. But then we have in this enumeration a clause which expressly grants and defines the authority to create such standards. If it directs of what they shall consist, Congress cannot make another kind as incidental to the regulation of Commerce.

With equal plausibility might it be pretended that, for the regulation of comcomerce, Congress could lay duties, imposts and excises, and pass bankrupt laws. Such measures might be very appropriate and adapted to that end. Yet surely it will not be maintained that assuming these powers as incidental, Congress could disregard the rule of uniformity, which limits and qualifies the express delegation of them. This qualification is, in fact, a prohibition of any duties, imports or excises, which shall not be uniform throughout the United States—of any laws on the subject of bankruptcies which shall not, in like manner, be uniform throughout the United States. (Art. 1; sec. 8; par. 4.) These cases present a perfect illustration of the soundness of the limit to the discretion of Congress, prescribed by the Supreme Court, that a substantive power shall not be exercised as incidental. I do not, however, consider them as any more perfect than the very case before us. If the power to create a standard of value and medium of exchange is expressly delegated, but confined by its terms, as we will presently see that is, to coins—foreign or domestic—it is a prohibition of any other kind of money. Congress cannot under the pretext of regulating commerce, infringe the prohibition thus laid on them.

II. "To borrow money on the credit of the United States." (Art. 1; sec. 8; par. 2.)

It has been argued that under this clause Congress may issue these "United States notes," because they are only acknowledgments of debt in a negotiable form, and in order to give them greater credit make them a legal-tender. That there may be constitutionally issued to the public creditor certificates of the amount due, transferrable by assignment—or bonds or notes payable to bearer, which can pass from hand to hand by mere delivery—I do not deny. These are all securities, and Congress is vested expressly with power "to provide for the punishment of counterfeiting the securities and current coin of the United States." (Art. 1; sec. 8; par. 6.) This language is accurate. Securities *ex vi termini* are something different from money. This view is strengthened when we find the coin described in the same paragraph as *current coin*.

These United States' notes are not securities for money which may be issued under the authority to borrow, but they are "bills of credit"—things distinct and different from securities. That there is such a distinction may be clearly shown by the judgments of the highest tribunal, which gives the law on these subjects to all other courts. According to that tribunal, bills of credit are not certificates of loan—not Treasury bonds or notes—not acknowledgments of indebtedness, all of which are mere securities—but bills invested with the functions of money—just such bills as the United States notes issued in pursuance of the act of Congress in question. In CRAIG *vs.* the State of Missouri (4 Peters 431,) C. J. MARSHALL. in delivering the opinion of the Court, says: "In its enlarged and perhaps literal sense the term 'bill of credit' may comprehend any instrument, by which a State engages to pay money at a future day; thus including a certificate given for money borrowed. But the language of the Constitution itself, and the mischief to be prevented, which we know from the history of our country, equally limit the interpretation of the term. The word 'emit' is never employed in describing those contracts by which a State binds itself to pay money at a future day for services actually received or for money borrowed for present use; nor are instruments executed for such purposes in common language denominated 'bills of credit.' To 'emit bills of credit' conveys to the mind the idea of issuing *paper intended to circulate through the community for its ordinary purposes as money*, which paper is redeemable at a future day. This is the sense in which the terms have

always been understood." The definition here given was subsequently re-considered and sustained in BRISCOE *vs.* the Bank of Kentucky (II PETERS, 257.)

According to this clear and authoritative exposition, what distinguishes bills of credit from such securities as are issued to the public creditor is that the former are, and the latter are not, intended to circulate as money. These United States' notes, then, are not acknowledgments of debt nor "securities of the United States," but "bills of credit"—in other words—"money." Indeed, this act of Congress of February 25, 1862, intends to leave no doubt on that point, for it expressly declares that they shall be "lawful money." In conformity, then, to the principle, as settled by the Supreme Court in MCCULLOUGH *vs.* the State of Maryland, we must turn to the money clause to ascertain whether Congress had authority to make them "lawful money." That body cannot, as incidental to the power to borrow, create any kind of money, which will not stand the test of the express power, which is granted on that subject.

If any doubt remains as to whether the right to emit bills of credit—to make paper money—can be exercised as incidental to the borrowing power, it ought, as it appears to me, to be entirely dissipated by the proceedings of the Federal Convention when this clause was before them. I freely submit that the opinions expressed in that body are not conclusive upon the interpretation of the Constitution. That instrument is to be construed like all others—by its four corners. But surely as C. J. MARSHALL relied "on the history of our country" in limiting the meaning of the words "bills of credit," we may resort for light to the opinions and votes of the men who framed the Constitution, in deciding whether in the words "to borrow money" was intended to be included "to emit bills of credit," for that is the precise question we have here to consider.

By the ninth of the old articles of confederation, section 5, it was declared that "the United States in Congress assembled, shall have authority to borrow money or emit bills on the credit of the United States." In the plan of the Constitution as reported to the Convention by the Committee of detail, of which Mr. RUTLEDGE was chairman—this clause was copied: "to borrow money and emit bills on the credit of the United States." On the 17th of August, 1787, in convention Mr. GOUVERNEUR MORRIS, of Pennsylvania, moved to strike out the words "and emit bills." There was a debate on this motion, which is reported by Mr. MADISON. It was argued by some, and Mr. MADISON himself among the number, that the words had better remain with a provision prohibiting them from being made a legal-tender. Mr. JAMES WILSON, of Pennsylvania, afterwards one of the Justices of the Supreme Court of the United States appointed by President WASHINGTON, contended that it would have a most salutary influence on the credit of the United States "to remove the *possibility of paper money.*" Other members who spoke, concurred with him in this view. The motion was carried, and the words stricken out by a vote of nine States to two. Mr. MADISON has added in a foot note, that the vote by Virginia in the affirmative was occasioned by his acquiescence, because he became satisfied that striking out the words would not disable the Government from the use of public notes, as far as they could be safe and proper, and would only cut off *the pretext of a paper currency*, and particularly for making the bills *a tender either for public or private debts.* (5 Elliott's Debates, 434, 435.) I do not know how these proceedings may strike other minds, but they have convinced me that the Federal Convention understood by "bills of credit," not securities—certificates of loan or indebtedness —Treasury notes—or Exchequer bills—but just, what Chief Justice MARSHALL afterwards defined them to be "paper money" and meant to deny to Congress the power to make such money.

LUTHER MARTIN, in his address to the Maryland Legislature in justification of his course in retiring from the Federal Convention, has also given a brief sketch of this interesting debate, which corresponds in the main with that of Mr. MADISON. He declares in the most empatic manner that "a majority of the Convention being willing to risk any political evil rather than admit the idea of a *paper emission in any possible case*, refused to trust this authority to the Government." (Secret Proceedings of the Federal Convention, p. 57.) He afterwards informs

the Legislature, as indicative of the temper of the body, from which he had withdrawn, that as the Constitution "was reported by the committee of detail, the States were only prohibited from emitting them (bills of credit) *without the consent of Congress;* but the convention were so smitten *with the paper money dread*, that they insisted that the prohibition should be absolute." "It was my opinion, sir," he proceeds to say "that the States ought not to be totally deprived of the right to emit bills of credit, and that as we had not given an authority to the general government for that purpose, it was the more necessary to retain it in the States."

The members of the Federal Convention truly represented the views and feelings of the people of the States, by whom they had been chosen. No one acquainted with the history of the Revolution can be surprised at the extreme jealousy entertained of investing either the Federal or State Governments, or even both, by joint action with any discretion on this subject. It is plain that the men who framed the Constitution—the men who ratified it in the State Conventions—the great mass of their constituents, meant nothing less than to exclude forever, *in any possible case*—(Mr. MARTIN)—*the possibility of paper money*, (Mr. WILSON). The public faith again and again solemnly pledged, for the redemption of the Continental bills of credit had been shamefully violated. The tender laws of the States, enacted at the urgent solicitation of Congress, for the purpose of sustaining their credit, had utterly failed. The amount of private wrong thereby inflicted on individuals and families was incalculable. Congress in a circular address in 1779—after promising solemnly that the amount of the bills should on no account exceed $200,000,000—indignantly repelled the idea that there could be any violation of the public faith, or that there did not exist ample funds to redeem them. The emission, however, very soon after swelled to $379,000,000, and having ceased to circulate, quietly died in the hands of its possessors. (3 Story in the Const. 223–224). No financiering was found so easy—so attractive—and at the same time so delusive and destructive as that of resorting to paper money. "Who," said a member of the Revolutionary Congress in debate, "will consent to load his constituents with taxes, when we can send to our printer and get a wagon-load of money, and pay for the whole with a quire of paper." (Breck's History of Continental Money, p. 13.) Well, said Mr. Read, of Delaware, in the Federal Convention, that such a power would stamp the Constitution with "the mark of the beast in Revelations;" and Mr. LANGDON, of New Hampshire, only expressed the feelings of the entire country when he declared that he would rather reject the whole plan than retain the three words "and emit bills." It requires but a slight knowledge of the times to conclude that if these three words had been retained, or had it been imagined that, though stricken out, as by comparing the new with the old system everybody could see that they were, they still lurked in the instrument as incidental to some other power, the Federal Constitution would never have been ratified by nine States. In the discussions and publications, which followed on the promulgation of the plan, before proceeding to vote on it in the State Conventions, as well as in the debates of those bodies so far as they have been preserved and handed down to us, though every hole and corner of the instrument was ransacked to find objections. I am not aware that it was ever suggested that it might possibly contain so odious and unpopular a power. The voice of the instrument itself appeared sufficiently marked and unmistakeable.

III. I now come to consider the remaining clause, which has been relied on as the source of authority to pass the act in question. "To coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measures." (Art. 1, sec. 8, par. 5.) It is evident, not merely from the words, but from their juxtaposition with the clause for fixing a standard of weights and measures, that the Constitution intends that the money of the United States shall be not merely a medium of exchange, but *a standard of value*. Uniformity and stability were the ends in view, and for this reason those powers were vested exclusively in the Federal Government. Here, and here alone, and not as a mere incident to something else, are we to look for whatever authority Congress pos-

sesses over the subject of money. These words seem to me to sanction only coins or metalic money. In the *Federalist*, No. 42, this is taken for granted. "All that need be remarked on the power to coin money, regulate the value thereof, and of foreign coin, is that by providing for this last case, the Constitution has supplied a material omission in the articles of confederation. The authority of the existing Congress is restrained to the regulation of coin *struck* by their own authority, or that of the respective States. It must be seen at once that the *proposed uniformity in the value of the current coin* might be destroyed by subjecting that of foreign coin to the different regulations of the different States." Judge Story thought so, for he says: "The power to coin money is one of the ordinary prerogatives of sovereignity, and is almost universally exercised, in order to preserve a proper circulation of *good coin of a known value* in the home market." (3. Story on the Const., 17) But the Supreme Court of the United States have not left this to inference, but have distinctly declared the same opinion in the United States *vs.* Marigold (9 Howard, 560), in which an Act of Congress, punishing the offence of importing spurious coin, was held to be constitutional, on the ground that the provisions of the act appertained, to use the very words of the opinion, "to the execution of an important trust invested by the Constitution, and to the obligation to fulfill that trust on the part of the government, namely, the trust and the duty of creating and maintaing a *uniform and pure metallic standard of value* throughout the Union. The power of coining money and of regulating its value, was delegated to Congress by the Constitution, for the very purpose as assigned by the framers of that instrument, of creating and preserving the uniformity and purity of such *a standard of value*."

The word *coin* is one of well settled meaning. The primary sense of the *noun*, according to Dr. Webster, is "the dye used for stamping money," and the undisputed signification of the *verb*, according to most, if not all, the lexicographers, is "to stamp metal and convert it into coin." In Wharton's Law Lexicon (*ad verbum*), it is said: "Strictly speaking, coin differs from money as the species differs from the genus. Money is any matter, whether metal, paper, beads, shells, &c., which has currency as a medium in commerce. *Coin is a particular species, always made of metal, and struck according to a certain process called coining.*" It was urged at the bar—I do not know whether seriously or not—that printing is stamping, and these notes might, therefore, literally, be said to be coined. No such use of the word in any author has been shown. We may say, figuratively, *to coin a story*, meaning to invent one, but never *to coin the book* in which it is printed. The story is a fiction—the coinage of the brain—the book, a reality. Surely, however, no one will contend, in earnest, that if a sufficient number of clerks had been employed, and these notes had all been written with the hand, they would have been unconstitutional, but that printing them makes them valid. To state the case thus is to reduce the argument to an absurdity.

It may seem like laboring unnecessarily to substantiate a very plain proposition, but I will hazard some further illustrations.

The notes in question draw a plain distinction on their face between themselves and coins. They promise to pay *dollars*. What is a *dollar*? To a similar question—what is a pound? Sir ROBERT PEEL answered: "A pound is a definite quantity of gold, with a mark upon it to determine its weight and fineness." Many pages have been written to controvert this definition, and to prove that a pound is a mere abstraction—something like a mathematical point without length, breadth, or thickness. But common sense, I think, vindicates Sir ROBERT PEEL. A standard measure must be some actual length or capacity—a standard weight some actual weight. How else can other weights and measures be compared with it? This is the object of a standard. So a standard of value must be some actual value. I would say, drawing the definition from the statute book—I know not where else to look for it—a dollar is a silver coin, weighing four hundred and twelve and one-half grains, or a gold coin, weighing twenty-five and four fifths grains, of nineteenths pure to one-tenths alloy of each metal. These notes, then, promise to pay coins. To say that they are themselves coins is to make the promise and performance identical.

As they do not state on their face when they are to be paid, in law, if issued by an individual or corporation, they would be payable on demand. WHITLOCK *vs.* UNDERWOOD, (3 B. & C. 187), Story on notes, ¶ 29. Payable in what? In themselves, if they are coins or dollars. They are promises to pay on demand, payable in promises to pay on demand. A promise to pay may represent coin, and circulate as such. It is properly designated as *currency*, and is one of many modes by which the use of an expensive standard may be spared by the substitution, as a medium of exchange, of public or private credit. It is safe and convenient as well as economical, as long as it truely represents the standard, by being immediately convertible into coin. But, in its very nature, it is not coin. Its value, or power of purchasing other commodities, depends as well upon the confidence of the community in the ability and intention of the issuers to redeem it as upon the amount issued. Coin, on the other hand, possesses present actual, intrinsic value. If you obliterate from the pound weight the public mark, which attests its conformity to the standard, it still weighs the same as before. So you may erase the image from the coin, yet its value remains. Blot out, however, the superscription from these pieces of paper, and nothing remains—they are worthless. The stamp on the coin is, really, nothing but a certificate of the weight and fineness of that piece of metal. Government guarantees nothing but this—makes no contract to deliver corn, wool, or leather in exchange for it. The power of regulating its value can only extend to declaring that, in law, a certain number of one coin shall be deemed the equivalent of another of a different denomination, in contracts and other transactions. In the market unequal values cannot be made equal by law. Congress has no power to enact how many bushels of wheat an eagle shall exchange for, and if they had, and should make the experiment, the act, like all attempts by government to change the laws of value, which are natural laws, would be futile.

The legislation of Congress upon this subject recognizes the difference between these United States notes and coin, and that they are not of equal value.

The act before us (Feb. 25, 1862,) requires duties on imports, and the interest of the public debt to be paid in coin; and provides that the notes "shall be received *the same as coin at their par value*, in payment for any loans that may hereafter be sold or negotiated by the Secretary of the Treasury." So by the act of March 17, 1862, the Secretary of the Treasury is authorized to purchase coin with them at such rates and upon such terms as he may deem most advantageous to the public interest. And the act of March 3, 1863, prohibits the loan of *currency* or money on the security of gold or silver coins, exceeding in amount the *par value of the coin* pledged or deposited as security. By the first of these acts coin is treated as the standard; by the last, paper. The one speaks of the *par value of the notes*, the other the *par value of the coins*.

If the word *coin* has any more general or figurative sense in the phrase, *to coin money* than that I have assigned to it, it must be held to have the same in other parts of the article. In foreign coin will be included foreign paper money, and Congress may regulate its value, and make it a legal-tender. They may thus treat notes of the Bank of England and France, Austrian and Russian government money—but not State bank notes. Congress has no power of regulating the value of any money except foreign coins, and money coined by its own authority. If to coin money mean to stamp paper, then the clause which forbids the States "to emit bills of credit" was unnecessary; the prohibition "to coin money" included it. The terms of that very prohibition show that in the minds of the makers of the Constitution "to coin money," and "to emit bills of credit" were two entirely distinct and different things. In short, in whatever point of view it is regarded, it seems to me that the position that this clause authorizes or permits any other but metallic money is untenable.

The restrictions on the States illustrate and confirm the opinion which I have expressed upon the proper construction of the paragraph before us. "No State shall coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts; pass any law impairing the obligation of contracts." (Art. 1, sec. 10.) The whole power over contracts resided in the States before

the ratification of the Federal Constitution. This section admits it, and leaves it there, subject only to two restrictions—both having the same end in view—the inviolability of contracts. Inasmuch as the States cannot coin, and the Federal Government alone can, and inasmuch as the States cannot make anything but gold and silver a tender in payment of debts, it follows that gold or silver coins, foreign or domestic, as regulated by Congress, constitute the only lawful money. This was evidently Mr. Webster's opinion in that able speech on the Specie Circular, which was cited at the bar, and in which he declared "*that gold and silver*, at rates fixed by Congress, constitute the legal standard of value in this country; and that neither Congress nor any State has authority to establish any other standard, or to displace this." And still, more emphatically: "most *unquestionably*, there is, and there can be no legal-tender in this country, under the authority of this government, or any other, but gold and silver. *This is a Constitutional principle, perfectly plain, and of the very highest importance.* The States are expressly prohibited from making anything but gold and silver a tender in payment of debts, and although no such express prohibition is applied to Congress, yet, as Congress has no power granted to it, but to coin money and to regulate the value thereof, *it clearly has no power to substitute paper or anything else for coin as a tender.* The Constitutional tender is the thing to be preserved, and it ought to be preserved *sacredly, under all circumstances.*" (4 Webster's works, 271, 280.) I must confess, that upon a question of this magnitude—amid the conflict of opinion by which I am surrounded—my mind has rested with confidence and satisfaction upon this clear and decided conclusion of a great intellect. Mr. Webster's fame rests mainly on his eminence as a constitutional lawyer. The Constitution had been the study of his life—the subject of most of his professional and political efforts. He belonged to no school of strict construction, but on all occasions was found earnestly contending for the broadest charter to the Federal Government. The opinions he expressed in his seat in the Senate of the United States, under the sanction of his official oath, are entitled to be received as deliberate and well considered.

With Mr. Webster, I regard these provisions of the Constitution, upon the subjects of contracts and tenders, as "of the very highest importance," and "to be preserved sacredly under all circumstances." They rest upon sanctions, which ought to be considered as of the most inviolable solemnity, at all times and in all emergencies. The true strength of a government—the best foundation on which can rest the confidence and affection of its people—is the security which it guarantees to property. This depends, in this country, upon those constitutional provisions which absolutely protect, under the Ægis of the courts of Justice, alike the daily earnings of the poor, and the accumulated savings of the rich man, not only from fraud and violence, but from the government itself, except in the form of open and equal taxation.

It has been strongly urged upon us that Congress has the power of debasing the coin, either in weight or fineness, without changing the denomination or legal value. What it has been asked is the difference between that and issuing paper money; even though that paper should be, at the time, depreciated below the value of coin? I answer, that because Congress may possibly accomplish a certain end by constitutional means, it does not follow that the same object can be attained by means which are not constitutional. Though, by the process of debasing the metallic standard, Congress may, perhaps, reduce all debts, public and private, fifty per cent, it does not follow that they can enact directly that the man who owes one hundred dollars to another, shall be quit upon the tender of fifty. We apply no such principle to other cases. Because, under a power, a man may dispose of an estate, by will, we do not hold that he can do the same in any other way than that directed or prescribed.

But considering it merely as an argument of the intention of the framers of the Constitution, it appears to me equally inconclusive. There are very important differences between debasing the coin and issuing paper money, though their practical results may, in some respects, be similar. It may well have been intended to leave to Congress discretion as to the one, but to deny to either

branch of the Government, State, or Federal, any discretion as to the other.

I. The debasing of the coin as a financial measure, for the purpose of discharging the public debt, would be an open, gross, and palpable breach of faith, scarcely possible in the present age of the world. Changes, however, for the mere purpose of regulating the value of the currency, may be occasionally necessary. "Arbitrary Governments," says ALBERT GALLATIN, "have, at various times, in order to defraud their creditors, debased the coin, whilst they preserved its denomination, and thus subverted the standard of value, by which the payment of public and private debts, and the performance of contracts, ought to have been regulated. This flagrant mode of violating public faith, has been long prescribed by public opinion. Governments have, in modern times, substituted for the same purpose, issues of paper money, gradually increasing in amount and decreasing in value. It was to guard against these evils that the provisions in the Constitution, on that subject, were introduced." (Considerations on the currency, p. 72.)

It is true that the coin has been debased in our own times and country, but never with a view to defraud either public or private creditors. When the coinage of the United States was first regulated, 1792, a double standard, both of gold and silver, was adopted, and the proportion of these two metals fixed at one to fifteen, which was then about their true relation in the market. But though the relation between gold and silver is certainly more steady than that between any two other commodities, at least within short periods of time, yet it is not immutable. Accordingly, about the year 1821, a change was observed to have occured. An ounce of gold, instead of being worth only fifteen ounces of silver, was really exchangeable for about sixteen ounces. Of course, no one would pay a debt with sixteen ounces of silver, when he could do so with fifteen. The consequence was, that the gold coins disappeared entirely from circulation, in obedience to the invariable law that the metal legally undervalued is always expelled. Silver became, practically, the only standard. The act of June 25, 1834, commonly called the Gold Bill, undertook to restore the true relation. To do this, either the gold coin must be debased, or the silver enhanced, The latter course would have been fraught with more injustice and mischief than the former. Though the true policy may have been to let things alone, or to have established as the only legal, what had, practically, become the actual standard. Yet, many pure and eminent statesmen were then, and still are, wedded to a different policy. Subsequently, by the act of Jan. 18, 1837, the weight and standard of the coin of both metals were slightly changed, with no design but to maintain, if possible, a currency of both gold and silver. Silver, however, being now undervalued, was banished from circulation, as gold had been before. By the act of Feb. 21, 1853, a much more considerable reduction was made in the weight of silver coins less than the dollar, but, evidently, only for the purpose of supplying a subsidary currency for small payments, for by the same act it was provided that the silver coins issued in conformity thereto, should be legal-tenders, in payment of debts for all sums not exceeding five dollars. I have no doubt that all this tampering with the coin was unwise and unjust. Whatever may be the advantages of a double standard, they are too dearly purchased by the frequently recurring necessity for these changes. But I do not see that there was, in any of these instances, a criminal breach of public faith or an intention to interfere with private contracts. In 1834, the public debt had been then recently liquidated in full, and at the period of none of these measures was anything to be gained by the government from them, but rather the reverse.

II. There is another important difference between the two measures of debasing the coin and of issuing paper money. When an act is passed debasing the coin, all the mischief is done. On the day following the prices of all markets adjust themselves to the new standard. Commodities, real or personal, lands or chattels, are, of exactly the same exchangeable value as before; the only difference being that their value is expressed in different figures. An ounce of gold will still buy the same number of bushels of wheat, whether it is coined into twenty

pieces called dollars, or forty pieces. True, debtors are richer at the expense of their creditors. But that gross injustice also is finished. Every man, creditor or debtor, capitalist or laborer, knows exactly where he stands. Not so with paper money. As to all existing contracts the same, and even worse, injustice is done, if the paper depreciates, than when the coin is debased. All equality is at an end. To-day a man pays at one discount, to-morrow he receives at another. *There is, in truth, no standard of value whatever.* The paper money varies like the mercury in the barometer, acted on by the superincumbent column of air, swayed to and fro by the tides of the atmosphere—now high, now low—now rarefied, now condensed. Thus, as confidence rises or falls, but more certainly as issues are increased or contracted, the value of every man's property—and the real price of his labor, what he can procure for it of the necessaries and comforts of life, fluctuates from day to day. This was just what the men of the Revolution, who met in the Federal Convention—who assembled in the State Conventions and ratified the Constitution, had not merely heard with their ears, but seen with their own eyes, touched and handled with their own hands, and felt in their own pockets. They had not the advantage of reading the same history repeated in a more rapid and aggravated form, in the paper money of revolutionary France. But they needed it not. They had quite enough, in their own experience, to make them determine to deal an effectual death blow at paper money.

On the whole, then. I am of opinion that the provision of the act of Congress of Feb. 25. 1862, declaring the notes issued in pursuance of that act to be lawful money and a legal-tender, is unconstitutional.

This renders it unnecessary that I should consider the other question, which has been made as to the effect of the special agreement to pay in lawful silver money of the United States. I am in favor of entering judgment for the plaintiff, but as a majority of the Court are of a different opinion, judgment for the defendant.

COMMERCIAL REGULATIONS.

DECISIONS OF TREASURY DEPARTMENT UNDER THE TARIFF ACT OF JULY 14, 1862.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production:

SPIEGEL.—(PIG IRON.)

Treasury Department, January 21, 1864.

SIR:—Messrs. AUSTIN, KELLY & Company have appealed from your decision assessing duty, as "Steel in Ingots," at the rate of one three-fourth cents per pound on certain metal, called "Spiegel," imported by them from Liverpool, and claim to enter the article in question as "Pig Iron," at the rate of six dollars per ton, under section seven, of the Act of March, 1861.

The question being one of fact, to be decided by the appraisers, it was referred to them and they report in substance, as follows:

"Spiegel," although presenting externally all the characteristics of "Steel in Ingots," and the "fracture" and specific gravity being similar thereto, is found

upon chemical and other tests to be wanting in many of the peculiarities belonging to Steel; when heated to redness "Spiegel" crumbles readily under the hammer, and possesses no malleability whatever under this process. It would be difficult to designate as "Steel" an article wanting in so marked a manner this characteristic.

"Spiegel" is identical in appearance and character with that found in Franklin, New Jersey, and Woodstock, New Brunswick—the former called "Franklin Pig Iron," and the latter "Manganesian Pig Iron." The Appraisers and Experts are unanimously of the opinion that it must be classified as "Pig Iron"—subject to duty at the rate of six dollars per ton under section seven of the Act of March, 1861.

Under these circumstances I hereby authorize you to adjust the entry of the article in question on the basis of the Appraisers reports, and assess duty at the rate of six dollars per ton. I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To HIRAM BARNEY, Esq., *Collector, New York.*

MANUFACTURES OF FLAX—(STYLED SAIL DUCK.)

Treasury Department, January 28, 1864.

SIR:—DAVID LAMB has appealed from your decision assessing duty at the rate of thirty-five per cent *ad valorem* on certain merchandize imported per steamers "Louisiana" and "City of Cork," and claims that said goods should be admitted at thirty per cent as "Sail Duck," and not at thirty-five per cent as "Manufactures of Flax."

The point involved is therefore simply one of fact, to wit: Is the article in question "Sail Duck," or is it not?

The Appraisers report, that it is not the article known or recognized as "Sail Ducks," nor the article intended for vessels sails—being much too wide for strength, and is really intended for tents, cot-bottoms, awnings, &c. The usual width for "Sail Ducks" is twenty-four inches. Mr. LAMB's importations are thirty-three inches—an unsuitable size for sails.

Under section fourteen of the Act of March, 1861, and section ten of the Act of July, 1862, "Manufactures of Flax, or of which flax shall be the component material of chief value, costing over thirty cents per square yard," are subjected to duty at the rate of thirty-five per cent *ad valorem*.

Your decision is hereby affirmed. I am very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To HIRAM BARNEY, Esq., *Collector, New York.*

SHIRTS—COMPOSED IN PART OF WOOL.

Treasury Department, February 3, 1864.

SIR:—Messrs. S. HERMANN & Company have appealed from your decision assessing duty at the rate of eighteen cents per pound, and thirty per cent *ad valorem*, on certain "Shirts" imported by them from Liverpool, per ship "Stad Assen."

The appellants claim that *wool* is not a component material of the article in question, but that "wool waste" is, and that consequently the shirts should be admitted to entry under section twenty-two of the act of March, 1861, and section thirteen of the Act of July 14, 1862, imposing together a duty of thirty-five per cent *ad valorem* upon "Clothing ready made and wearing apparel of every description, of whatever material composed, except wool, made up or manufactured, &c."

The experts of the customs report in substance, as follows:

The sample shirt *is* composed of *wool* and cotton, and being wearing apparel, or clothing, is therefore, under existing laws, (section thirteen, Act of March,

1861, and section 9, Act of July, 1862,) subject to a duty of thirty per cent *ad valorem* and eighteen cents per pound.

Your decision is hereby affirmed. I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To CHARLES JAMES, Esq., *Collector, San Francisco, Cal.*

OLD BRONZE BELL METAL—SO STYLED.

Treasury Department, March 4, 1864.

SIR:—Messrs. NAYLOR & Co. have appealed, under date of February 24, 1864, from your decision assessing a duty of 20 per cent, *ad valorem*, under the classification of "Metal manufactured not otherwise provided for," on 147 pieces of (so styled) "Old Bronze Bell Metal," imported per Steamer "Ballona" from London.

The Appellants "claim the legal right to enter the article in question, free of duty, as 'Old Bell Metal,' provided for under section 23 of the Tariff Act of March 2, 1861—the said article being commercially known as of that description, and as such it should be admitted free of duty."

The clause in the section under which the appellants claim to enter the article in question, is as follows:

"Bells, old, and Bell Metal."

The article imported by Messrs. NAYLOR & Co. is parts of broken cannon, and, as appears by an assay, contains:

Copper,	91.20
Tin,	6.90
Zinc,	1.70
Iron,	0.15
Oxygen and trace of Gold and Silver,	0.05
	100.

This composition differs materially from that known as "Bell Metal," which ordinarily is composed of 78 parts of copper and 22 parts of tin; though it is not unusual to vary, in a slight degree, these proportions, and sometimes to introduce an admixture of other metals.

Any alloy of copper used for the manufacture of cannon cannot strictly be called "Bell Metal."

I infer from your report that although the article has once been manufactured, it is now old and unfit for any other purpose than as a raw material to be reworked.

Your decision is hereby affirmed. I am very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To HIRAM BARNEY, Esq., *Collector, New York.*

MOVEABLE PICTURE BOOKS.

Treasury Department, March 5, 1864.

SIR:—JOHN WILEY has appealed from your decision assessing duty at the rate of 35 per cent, *ad valorem*, as "Manufactures of Paper not otherwise provided for," on certain "Moveable Picture Books, imported by him.

The appellant claims to enter them, as, he alleges, has heretofore been the practice, at 20 per cent, *ad valorem*, under section 8 of the Tariff act of July 14, 1862, which (6th clause) is as follows:

"On books, periodicals, pamphlets, blank books, bound or unbound; and all printed matter, engravings, bound or unbound, illustrated books and papers, &c."

The appraisers report: "Our objection to such classification is that *move-*

able figures on each page render the article something more than a book, and which might, with great propriety, be classified as a toy."

Samples of the books in que tion have been submitted to this department for examination, and I am of the opinion they are clearly embraced in the comprehensive language of the clause in the 8th section of the Act of July 14, 1862, above quoted.

Your decission is hereby overruled. I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To HIRAM BARNEY, Esq., *Collector, New York.*

PAPER.

Treasury Department, March 12, 1864.

SIR :—Messrs. B. & P. LAWRENCE have appealed from your decision assessing duty at the rate of 35 per cent, *ad valorem*, on certain "Paper" imported per Steamer "Australasian" in January, 1864.

The appellants claim that the article in question being "unsized paper used for printing purposes, and being made in books." is entitled to entry at 20 per cent, under the 5th section of the Act of March 3, 1863, which provides "that in lieu of the duties now imposed by law, there shall be levied and collected upon printing paper unsized, used for books and newspapers exclusively, twenty per cent, *ad valorem*."

The use of the word "*exclusively*" in this section restricts the operation of it to such paper as is unquestionably fit for and used for books and newspapers.

A sample of the article in question has been submitted to this department. It is very thin paper, and is not the kind used for the printing of "newspapers;" it is unsuitable for such purpose, as it could only receive a proper impression on one side; nor is it used for the printing of "books" of the general class for the diffusion of knowledge.

I am of the opinion it was properly assessed by you under the 13th section of the Act of July 14, 1862, which imposes 35 per cent on "paper hanging, and paper for screens or fire-boards; paper, antiquarian, demy, drawing, elephant, foolscap, imperial, letter, *and all other paper*, not otherwise provided for."

Your decison is hereby affirmed. I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To HIRAM BARNEY, *Collector, New York.*

DECORATED PARIAN WARE.

Treasury Department, March 19, 1864.

SIR :—Messrs. D. P. IVES & Co. have appealed from your decision assessing duty at the rate of 40 per cent, *ad valorem*, on certain "Decorated Parian Ware," imported by them in the "Bravo," on the 21st January, 1864, and claim "that under existing laws, said goods are only liable to a duty of 35 per cent, because by section 12, Tariff Act of July 12, 1862, the assessed duty of 40 per cent is levied on 'Decorated China and Porcelain Ware,' only."

This department is advised, that the Parian Ware imported by you is a kind of *Porcelain Ware*, differing only from the ordinary ware in being of a finer quality, by the employment of a soft and more fusible felspar in its composition, in place of Cornish stone.

I concur in the opinion, that the article in question is properly classified as "China and Porcelain Ware, ornamented or decorated," at 40 per cent, under section 12 of the Act of July 14, 1862, and your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To J. Z. GOODRICH, Esq., *Collector, Boston, Mass.*

THE BOOK TRADE.

Faith and Fancy. By JOHN SAVAGE, author of "*Sybil, a Tragedy.*" New York: JAMES B. KIRKER, 599 Broadway. Washington, D. C.: PHILIP & SOLOMON. 1864.

Over a dozen years ago the *Democratic Review*, reviewing a book of poems by the author of the volume now before us, received the young writer with commendable cordiality, and recognized in him a power which would make itself felt in the future. The same article embodied a hearty testimonial to Mr. SAVAGE's poetical ability from one notably capable of appreciating as well as illustrating the power of song—Miss ALICE CAREY, the distinguished poetess. Since that period, Mr. SAVAGE, though frequently contributing to periodicals, has not appeared in book form as a poet; a fact in itself somewhat remarkable, when we take into consideration the many volumes which have been put forth within the decade having no stronger claims on the public than might justly be set up for the author of "Washington," "At Niagara," "Winter Thoughts," "The Muster of the North," and many other pieces embraced in the modest looking little book under notice. Our author's reticence in this respect is the more to be wondered at, as the great success which attended his tragedy of "Sybil," in almost every city in the country, would have warranted an earlier selection from his poetical portfolio. However there is no accounting for the whims and vagaries of that class of scribes who come under the head of "veritable." Ambition is sometimes of such an over-sensitive nature, as in its yearning for the most perfect means to achieve an ideal, to everlastingly postpone that which it as constantly desires to accomplish. COLERIDGE presents a sad instance of this. Some of his poems lay in his desk for fifteen or sixteen years. CAMPBELL did not glut the market with his verse, yet produced enough to build a lyrical immortality. TENNYSON after his first publication, took many years of self-analysis and thought before he again threw down his guage to the critics. And among our own poets BRYANT and HALLECK are known not so much by the quantity as the quality of their writings. Some poets like WORDSWORTH, BYRON, MOORE, SHELBEY and LONGFELLOW write frequently, much and well and others of not inferior intellect give us their writings, like angel visits, few and far between. It is difficult, without expending more time than the discussion would be worth, to account for the backwardness or forwardness, so to speak, of the one or the other class of poets. Suffice it that Mr. SAVAGE's modesty or tardiness, coupled with the fact that he has himself betimes interested the readers of the *Merchant's Magazine* in articles of a semi-literary and statistical nature as well as the merits of his book, induces us to go somewhat beyond our usual limits in notices of this nature.

Mr. SAVAGE inscribes his volume to the Honorable CHARLES P. DALY, in commendatory and affectionate appreciation of that gentleman's, "generous efforts in behalf of Letters, Science, Humanity and Justice"—and in the dedication lets us into the secret, doubtless, of the influences which inspire himself. He says that every person who writes poetry makes his reader the confidant of his hopes, woes, experiences, or sensations; for he adds "if he aspire at all to transcribe or embody the feelings which evoke or prompt human action, he cannot help writing largely from his own hearts blood, and in the hues it has taken by contact with Men, Faith and Nature." This accounts for the subtle, sensitive, picturesque and passionate character of many of the principle pieces in the work. They bear distinctive marks of being studious and philosophical observations of life, and landscape, of art, men and books, guided and illuminated by that insight which amounts almost to intuition and gives the poetical mind its power over lesser organizations.

The "Muster of the North" has been widely copied apd quoted. Taking it, not as an expression of political faith; but as an historical and poetical photograph of what the COUNT DE GASPARIN calls the great uprising, it has all the characteristics of the thrilling epoch. It throbs with emotion and commotion from the first line to the last, and sweeps you breathlessly along on its bounding measure. It is difficult to make an extract from it, the atmosphere of concentrated action so surrounds the whole. It is full of scenes for a DARLEY to illustrate or an EASTMAN JOHNSON to paint.

With various degrees of excellence the poems entitled "The Plant of the Wild Flower," "The God Child of July," "St. Ann's Well," and "At Niagara," not only exhibit a "deep love of nature," but a powerful art in depicting some of its tenderest as well as its most turbulent phases.

"The falls" are treated in an equally forcible manner, the poet's expressiveness changing into that solemn cadence suggested by his feelings.

The longest poem in the book is "Dreaming by Moonlight," a dialogue between two students. Leon, a literary aspirant, and Pictor, an artist. These young men talk on art, poetry, ambition, critics, and the various hopes and longings which fill the hearts and heads of young aspirants in general. It is written in blank verse, and evinces a mastery of this mode which gives us confidence as to the author's powers as a dramatic writer. The poem is philosophic, imaginative and descriptive, and will repay perusal.

We regret that want of space prevents us from giving some extracts, but with the above reference to its merits and contents, recommend the work, which has already gone into a second edition, to all lovers of true poetry.

Rhode Island in the Rebellion. By EDWIN STONE, of the First Rhode Island Artillery.

This work consists of a series of letters written in camp and on the battle field, the author being surrounded by the scenes which he so vividly describes. It is more an account of personal experiences, than an historic record of events, and, therefore, possesses a peculiar interest. The author does not, however, altogether confine himself to those facts, of which he was himself an eye-witness; but makes a judicious use of important official documents, to which he was fortunate enough to have free access. His account of the gallant part taken by the brave little State, and its patriotic young Governor, in which he naturally feels an honest pride, will strike a sympathetic cord in the breast of every true Rhode Islander. The appendix gives an historical account of the various Rhode Island regiments and batteries, which cannot fail to be interesting to all who were ever associated with them.

History of the Romans under the Empire. By CHARLES MERIVALE, B.D., late Fellow of St. John's College, Cambridge. American Edition. D. APPLETON & Co.

The third volume of the American edition of this most valuable work is now offered to the public. It embraces the period from the assassination of JULIUS CÆSAR, to the formal inauguration of the empire under OCTAVIUS. The troubles caused by the violent death of CÆSAR; the funeral harangue of ANTONIUS, which excites the people against the conspirators; the attack made upon ANTONIUS by CICERO; the victory of the Senatorial party in the two battles before Mutina, followed by the two engagements at Phillipi, which resulting in disaster to the Republican arms, led to the suicide of CASSIUS and BRUTUS, are related in a manner exceedingly graphic and interesting. The policy of OCTAVIUS, with regard to Egypt, and the self-destruction of CLEOPATRA, after her vain attempt to ensnare him, are well narrated. But what renders this volume peculiarly attractive, is the fact that it treats of that period in the history of Rome, which is coeval with the commencement of Christianity. When AUGUSTUS was holding the reigns of government in the imperial city, our Saviour was performing His deeds of mercy, and proclaiming the Gospel of Salvation to the Jews. Judea at this time was a Roman province, and the treatment of that country by the Roman Emperor, cannot but be extremely interesting to the Christian reader. The last two chapters contain an account of the various offices of the government; the priviledged orders; the Senate and the Knights; the finances and the military establishment of this extended and heterogeneous empire, at the time of the inauguration of the new order of things. This history bridges in a substantial and agreeable manner, that chasm which has till now existed between the termniation of Dr. ARNOLD'S learned

work, and the period when GIBBON takes up the story of the eternal city. It is not too much to say that Mr. MERIVALE has executed his part in a manner worthy of the distinguished connection in which it stands. The American edition is very neatly gotten up, and the present volume is enriched with a beautiful map of Rome. It is a work that should ornament the shelves of every man who takes pleasure in classical literature, or has any desire for historic information.

The Management of Steel, including Forging, Hardening, Tempering, Annealing, Shrinking and Expansion; also the Case-Hardening of Iron. By GEORGE EDE, employed at the Royal Gun Factories Department, Woolwich Arsenal, England. American edition. D. APPLETON & Co.

It would, indeed, be strange if twenty years of practical experience and hard study did not qualify any man of capacity, to give some valuable information concerning the pursuit to which he has so long devoted himself; how much then may we expect from him, who, like the author of this charming little book, is led by a knowledge derived from a thorough scientific investigation, to give to others the result of his long experience in this interesting art. This little work of Mr. EDE is essentially practical. It does not attempt to show how certain experiments confirm certain preconceived scientific theories; but its object is (and it is an object it adheres to,) to tell the practical workman how he may accomplish what he wished, so as to produce the best article in the most economical way. It treats of the management of steel under all its different forms, and gives many valuable hints with regard to forging, hardening, tempering, and annealing. It is not one of those thick, double-columned, finely printed volumes, which frighten by their size, and look so dry: but like a true gem it requires but little room, and can be carried in the pocket, and read during odd bits of leisure time. It will be found exceedingly useful if not essential both to him who makes the working of steel a daily labor, as well as to him who, interested in the art, pursues it only as an agreeable recreation.

VALUE OF CURRENCY AS COMPARED WITH GOLD.

THE Metropolitan Marine and Fire Insurance Company, (a company, by the way, which has met with remarkable success since its organization,) advertises to pay losses in gold, when the premiums are paid in gold, and publishes the following compartive table, showing the relative value of currency and gold. The table is very conveniently arranged, and will be found valuable for reference:

TABLE SHOWING THE VALUE OF CURRENCY AS COMPARED WITH GOLD.

When Gold is sold for Currency at	The disc't on U. S. L-Tender Currency is	$100 in Currency will buy in Gold.	When Gold is sold for Currency at	The disc't on U. S. L-Tender Currency is	$100 in Cur'cy will buy in Gold.
105 00	4.77 pr. ct.	$95 23	210 00	52.38 pr. ct.	$47 62
110 00	9.10 do	90 90	215 00	53.49 do	46 51
115 00	13 05 do	86 95	220 00	54 55 do	45 45
120 00	16.67 do	83 33	225 00	55.56 do	44.44
125 00	20 00 do	80 00	230 00	56.52 do	43 48
130 00	23.08 do	76 92	240 00	58.33 do	41 67
135 00	25.93 do	74 07	250 00	60.00 do	40 00
140 00	28.58 do	71 42	260 00	61 54 do	38 46
145 00	31.04 do	68 96	270 00	62.96 do	37 04
150 00	33.34 do	66 66	280 00	64.29 do	35 71
155 00	35.49 do	64 51	290 00	65.52 do	34 48
160 00	37.50 do	62 50	300 00	66.67 do	33 33
165 00	39.40 do	60 60	400 00	75.00 do	25 00
170 00	41.18 do	58 82	500 00	80.00 do	20 00
175 00	42.86 do	57 14	600 00	83.34 do	16 66
180 00	44.45 do	55 55	700 00	85.71 do	14 29
185 00	45.95 do	54 05	800 00	87.50 do	12 50
190 00	47.37 do	52 63	900 00	88 89 do	11 11
195 00	48.72 do	51 28	1,000 00	90.00 do	10 00
200 00	50.00 do	50 00	5,000 00	98.00 do	2 00
205 00	51.22 do	48 78	10,000 00	99.00 do	1 00

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

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Engd by W. H. Dawson

Very truly Yours
Moses Taylor

Fin. Engraved for Hunt's Merchants Magazine

THE

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AND

COMMERCIAL REVIEW.

MAY'S

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THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

JUNE, 1864.

MOSES TAYLOR.

In continuing our sketches of those prominent merchants of New York whose lives and characters fitly exemplify the honorable traits of the class to which they belong, and whose careers afford to the young aspirant after mercantile wealth and honors, examples for imitation and encouragement, we have chosen for our subject this month a man who, in many respects, stands foremost among the active and intelligent business men of this community, and the lesson of whose life is full of interest and instruction.

Moses Taylor was born in this city on 11th January, 1806, and is, consequently, now in the fifty-ninth year of his age. He is descended, in the third generation, from an Englishman of the same name, who emigrated to this country from London in 1736. The love of city life, which is so marked and predominant a characteristic in the subject of our notice, was peculiar also to his great grandfather, and the latter, upon his arrival here from England, influenced as it would seem by personal predilections which were stronger than his national tendency toward a rural life, adopted New York city as his place of residence. In a copy of the New York *Gazette*, published in 1750, now before us, his place of business, which was also his place of residence, is advertised to have been "the corner house opposite the Fly Market." In 1751 he removed to Old Slip, but a few months afterwards he returned to his former locality, in which, pursuing with diligence an honest calling, he continued to remain during the residue of his life. It is, to say the least, somewhat remarkable that in this city, noted for the instability which characterizes as well its families as its material concerns, where one generation scarcely ever leaves any distinctive mark which connects it with another; where an all pervading spirit of changeableness obliterates the landmarks of former times, recent as well as remote; and everything that is old is sacrificed to anything that is new—it is, we say, somewhat remarkable, in a city where such influences prevail, that, a century after the eldest Moses Taylor carried on his business at the "corner house opposite the Fly Market," a lineal descendant of his, of the same name, should, in the third generation from him, be carrying on his business within a stone's

throw of the same locality, and by the practice of the same virtues which his ancestors possessed—by stability, persistency, directness, energy, intelligence, honesty, uprightness—have achieved a success so great, and established a character so untarnished, as to be recognised by all who know him, as one of the most distinguished of that body of high toned men who have given to the merchants of New York their world-wide renown.

The youngest son of the eldest MOSES TAYLOR was the grandfather of our subject, and was born in this city in 1739. From middle life his manhood was passed in the troublous times of the revolution; and, upon the occupation of the city by the British forces, he removed with his family into New Jersey, where for a considerable period of time he continued to reside. That this removal was distasteful to him, and that he undertook it unwillingly, as conflicting with those preferences for a city life which he in common with all of his lineage seems to have entertained, indubitable evidence exists. But with him the obligations of duty were paramount to all considerations of personal comfort, and he was impelled to make the change from the desire of saving his children, some of whom were daughters, from the contaminating influences inseparable from the presence of the British soldiery here. The gew-gaws and frippery, the dissipation and idleness, as well as the grosser vices which crop out from an army of occupation, were abhorrent to his sturdy and straightforward nature, and he was determined that, so far as depended upon him, none of these taints should fall upon his family. During this residence in New Jersey, the father of Mr. TAYLOR was born. He was named JACOB B. TAYLOR, and, true to the predominant instinct which has indicated itself in each succeeding generation of his family, he cast his lot in the city, and spent his entire life there. Many persons now living remember Mr. JACOB B. TAYLOR. His spare and erect figure, his grave but open countenance, were as well known in the walks of business as the excellent qualities of his character were appreciated there. He was distinguished through life for his entire faithfulness, his scrupulous honesty, his unswerving truthfulness, and his untiring activity. Whatever he did was done conscientiously, whatever he asserted was absolute verity, and his zeal and industry were such that, it may be truly said of him, that, in whatever he undertook, he knew no such word as fail. These qualities attracted, as was natural, the notice and respect of the community in which he lived; and for many successive years, during a period when civic distinctions were conferred upon our worthiest and not upon our basest citizens; when such men as HONE, and IRELAND, and ALLEN, and others of equal eminence, sat in the city councils, he was Alderman of the Ninth and Fifteenth Wards. A reference to the records of those days will show with what fidelity he discharged his public trusts, and how well in him appeared

> "The constant service of the antique world
> When service sweat for duty, not for meed."

It is no wonder, then, that Mr. TAYLOR feels, as he does, an honest pride in his progenitors; and that the inheritance of a good name, which he has received from them, is esteemed by him as of more worth than untold material riches. Indeed a good name is one of the most valuable of earthly possessions. It endures. To him who has it, it is rightfully a

perpetual source of commendable pride and grateful pleasure. It mingles with his blood and character, and infuses into his nature such honor and dignity as are derivable from no other source. The possession of wealth may bring him who has it into prominent and public notice; and, whilst it lasts, may hold him there; but if it be unaccompanied by a good name, or worse, if it be associated with a bad one, the prominence which it produces becomes the bane of life, for the finger of scorn is harder to endure than the humblest obscurity. Take heed then, ye struggling aspirants after wealth and fame! If you would really enjoy, in full measure, the rewards of a successful life, keep your hands clean and your honor undefiled: preserve a good name, lest it turn out that the riches which you acquire, however great they may be, become ashes in your grasp, and that the prominence which you attain to, serves only to render you a more conspicuous object of public detestation and contempt.

The house in which Mr. TAYLOR was born stood at the corner of Broadway and Morris Street, and here he passed his earlier childhood; but in 1813 his father removed his residence to a house in Broadway, nearly opposite to what is now the New York Hotel, and continued to reside there until long after his son had taken his departure from the paternal roof. Doubtless the remoteness of this residence from the compact portion of the city—for it was then quite out of town—was the occasion of a habit which is still conspicuous in Mr. TAYLOR, and to the constant practice of which, during half a century, his vigorous health, notwithstanding his exhausting labors, is mainly to be attributed. We refer to his invariable habit of using his own legs for the purposes of locomotion. That practice has made him perfect in this respect may be readily seen by any one who will observe him, even at this day, as with quick and elastic step he darts through the crowds of Wall and South Streets; and is often experienced by some stiffer limbed acquaintance, who believes in omnibuses, but who sometimes vainly endeavors to accompany him in his daily walk down or up Broadway. The schools which he successively attended, during his boyhood, were those of PICKETT in Chamber Street, FORREST & SLOCUM in Church Street, and KELLOGG in Thames Street, and, as these were all nearly two miles distant from his father's house, and as his undeviating custom was to go to and return from them on foot, the habit of rapid walking, which he still keeps up, was then commenced. His school days were marked by the same energy and punctuality which characterized his subsequent life: he was never a truant; he shirked no duty; he left no work unperformed; but was ever prompt in his attendance, diligent in his studies, and faithful and thorough in the work which was imposed upon him at school. Although the character of his mind is practical rather than reflective, and exercises itself with the methods by which practical results are educed, rather than with speculations upon any mere abstract subjects, yet he possesses so vigorous an understanding that there is no reason to doubt that if his inclinations had led him toward the paths of scholarship, he would have attained to the same distinction in them as he has gained in the course of life which he actually pursued. But either his own choice, or those other potent influences which exercise a directing control over the purposes of men, determined that he should be a merchant and not a bookworm; and accordingly, at the age of fifteen, with such an education as the training of a common school affords to a boy of that age, he threw aside his satchel, abandoned the sports of boy-

hood, and, bidding adieu to his school mates, entered at once upon the serious business of his life.

At first he entered the house of J. D. BROWN, but he remained there but a short time, and then became a clerk in the mercantile establishment of Messrs G. G. & S. HOWLAND. At this time, and indeed during the whole period in which Mr. TAYLOR remained in their service, the Messrs HOWLANDS were engaged in a very extensive and varied foreign commerce. Their correspondence and business relations extended to every part of the world; and the head of the house, Mr. GARDINER G. HOWLAND, a very energetic and intelligent merchant, was ever ready to enter upon new fields of commercial enterprise. They owned and employed many vessels, which sailed upon every sea and visited every shore. Freighted with assorted cargoes, made up of every variety of domestic and foreign article, they went forth upon their distant voyages and returned laden with the products of the countries which they had visited. To all parts of Europe, to India, China, the Mediterranean, to the West Indies, South America, the West Coast, to every quarter of the globe in fact, to which American enterprise had pushed its commerce, these mercantile adventures were carried; and the system of credits prevailing in those days, both in reference to the purchase of outward cargoes and to the payment of duties upon importations, helped to enlarge and amplify them, so that their scope was only equalled by their variety. It was in such a field young TAYLOR set to work. His industry and intelligence soon attracted the notice of his employers. Always cheerful, ready and zealous, quick, active and vigilant, it was perceived that he brought to the performance of his duties not only that steady application to the routine and details of business which is the common requisite of a good clerk, but that, beyond these, he comprehended the bearing and significance of the thing in hand, and was ever prompt to anticipate and prepare for the succeeding step. It followed, of course, that he had a great deal to do, for labor and responsibility will always be thrown upon those shoulders which are best able to bear them. But he did not object to this. The more work he had to do, the more diligence and industry he displayed; and he was never better pleased with himself than when he had successfully accomplished an onerous and burdensome task. Those young gentlemen who, now in their noviciate, are seeking to enter the road which leads to fortune, may learn a useful lesson from this example. Young TAYLOR, whilst he was a clerk, did not clamor for privileges or immunities or relief from toil; he was not intent upon amusement or relaxation or personal pleasures of any kind; nor did an additional burden fill him with dismay; but, feeling his employers interests to be his own, he diligently and faithfully promoted them so far as depended upon him, at what expenditure of labor or strength soever, and he stands to-day among the richest and most respected of the merchants of New York!

As he rapidly passed through the various gradations of counting-house promotion, new spheres of duty and activity were opened to him, and additional demands were made upon his energetic and indefatigable powers; yet his quickness of apprehension, and his steady determination to be always "ahead of his work," rendered him equal to these demands. Indeed nothing gratified him more than to be able, as he most always was, to reply to his employers suggestion of work to be performed, "It is done, Sir."

At the present time, the commerce of New York has attained to such vast proportions, that each particular branch of it constitutes, in many instances, a separate business of itself, and many of its operations and details are turned over to brokers and other agents who make them the objects of their special occupation. It is difficult, therefore, for the young gentlemen, who now pass a few hours a day in a counting-house, to realize the extent and variety of labor which, at the time when Mr. TAYLOR was a clerk, had to be performed by their predecessors. Each house had then to depend upon its own force and facilities for the performance of every thing which its business required, and the post of custom-house clerk, shipping clerk or salesman, in an establishment like that of the Messrs HOWLANDS, was no sinecure. The separate entry, under the old complicated system of duties, so as to admit of their ready disposal at home or under debenture, of cargoes embracing every variety of foreign product, invoiced in every variety of currency; the sale of these products; the purchase of outward cargoes in every detail of assortment; their repacking for convenient carriage, lading invoicing, insuring, &c., these and other details, now in a great measure entrusted to outside agents, involved an amount of labor of which a clerk of the present day can have no adequate idea; and yet they constituted a portion only of the every day duty of Mr. TAYLOR whilst he was with the Messrs HOWLANDS. It is not to be wondered, then, that the candle upon his desk was often burning beyond the time of night when the bells of old Trinity struck the "shutting up" hour of ten o'clock. The day was devoted to out-door work—to vessel, wharf, custom-house and market. The night was employed in recording what had been accomplished during the day, and in the necessary preparations for the morrow.

Notwithstanding these severe demands upon his industry, he yet found time to test the value of his mercantile education, by methods which not only confirmed the lessons that he had learned, but which also afforded some remuneration for the diligent faithfulness that he had bestowed upon them. With the concurrence of his employers, he frequently engaged in small adventures upon his own account. Guided by his own judgment, he would make up consignments, which he would entrust, under instructions, to the captains and supercargoes voyaging for the house (with whom he was always a favorite), and these, sold by them, and their proceeds invested in foreign products, frequently yielded him a double profit. Indeed so much judgment and foresight were displayed in these operations, and their details were so carefully and judiciously managed, that they may fairly be said to have been the forerunners of his subsequent mercantile success. They yielded him the capital which enabled him afterwards to enter upon his larger sphere of business on his own account. Always exact and orderly, he opened, at this early day, a set of books in which all of these adventures were recorded by "double entry." A friend who has seen these accounts informs us that they are models of neatness and accuracy; and we know that their owner regards them with especial pride, as he justly may, for they are the first records of a career, then commenced, which has been throughout its whole course honorable and successful.

With such preparation, and after such experience, Mr. TAYLOR arrived at that period of life when, so far as he was concerned, its business and affairs were to be carried on by him upon his own responsibility, and for

his own benefit. His salary as clerk had always been small, but the adventures which he had undertaken, whilst he was in that capacity, had yielded him altogether fifteen thousand dollars; and, with this sum as his capital, and the respect and good wishes of his employers, and the confidence and esteem of all who knew him, he, in 1832, at the age of twenty six, set up in business upon his own account. The good reputation which, as a clerk, he had established in the walks of business, and the general respect entertained by all classes of people with whom he had been thrown in contact, for his admirable traits of character, raised up for him many friends, and gave him from the first a good credit in the community. But as he was singularly self-reliant, and felt that whatever of success was in store for him must be wrought out by his own energies and by the employment of his own unaided powers, he was careful not to avail himself of the extraneous facilities which were within his reach, and he kept his credit good by never using it.

Although he "put up a sign" temporarily over the store 55 South Street, his really first place of business was at 44 South Street, which his house still occupies. That portion of South Street seems to have had peculiar attractions for him, and, indeed, for those also who came under his influence—for, as he once remarked to some friends, five of his clerks who were, at the same time, in his employ, and who, without a single failure, had had eminent success in different lines of business, were then established within one hundred feet on either side of his store. Here, then, his mercantile life began, and here it will probably terminate. So far as external circumstances were concerned, the beginning did not seem to be an auspicious one, for the cholera was then raging in New York, and was exercising its depressing influence upon human affairs. Death, not the concerns of life, seemed to occupy the thoughts of men. But Mr. Taylor was nevertheless not deterred, by this circumstance, from carrying his plans into execution; and he entered upon his business with so much energy and diligence, so much capacity and judgment, that it almost immediately developed a successful issue. It had, however, been just fairly put under prosperous headway, when, in the devastating fire of December, 1835, his store with all its contents was destroyed; involving him, as he then supposed, in the loss of all that he possessed. On his way home, after a night of exhausting toil, in which he had been able to save little besides his books of accounts, he met his father, to whom he stated the apprehension that he was ruined. "Never mind, Moses," said the sturdy Alderman, "you have good health, try it again." "I will, Sir," said the son; and dispelling all feeling of despondency, which was ever unnatural to him, the same day saw him at work again. He opened an office immediately in the basement of his house in Morris Street, and, soon afterwards, securing temporary accommodations in Broad Street, this terrible disaster, which created so great a disturbance of all of the business concerns of the city, can hardly be said to have produced any serious interruption of his affairs. The difficulties of his condition merely served to call forth, in a greater degree, an exercise of the powers which were necessary to overcome them; and the result was, as it always will be with those strong and determined characters who do not permit themselves to be subdued by circumstances, that the ruin which threatened him was entirely avoided. It turned out that a greater sum was realized from his fire policies than he had hoped to obtain upon them; but, apart

from this, he, with his usual foresight and quick decision, immediately entered upon adventures and made importations to supply deficiencies in the market which the fire had occasioned, and the profits resulting from these judicious operations more than counterbalanced the losses which he had sustained. He was a man who not only struck the iron when it was hot, but, when need required, he struck it until it became hot. As a characteristic circumstance, showing his energy and promptness, it may be mentioned that the very day after the fire, whilst the ruins of his store were yet aglow with its smouldering combustion, he went to his landlord, Mr. JOHN G. COSTER, and made arrangements for its reconstruction; and the building, now standing on 44 South Street, was among the first to arise out of the ruins of the great conflagration. Upon its completion Mr. TAYLOR entered it again, and afterwards became its owner, and ever since he has carried on his mercantile business there. His main field of enterprise as a merchant was the trade with Cuba. He was also, at one period of his career, a considerable ship owner, and extensively engaged in that branch of commerce; besides which he carried on other important mercantile operations, but these were all subsidiary to the business to which he principally devoted himself. As we have said, his main field was the Cuba trade, and in that his mercantile reputation was principally acquired. Upon this he concentrated his remarkable powers, and the great success to which he attained, and the wide reputation which he established for mercantile capacity and honor, attest the diligence and faithfulness with which he devoted himself to his pursuits. No man in the walks of business has a higher standing in the community, or is more respected abroad. He is universally regarded with absolute confidence and trust; and the mercantile house which he founded stands to-day, as it has ever stood, a witness and exponent of his great mercantile ability and his excellent personal character.

The subject of finance was one with which, in his business experience, he had of course become practically familiar, and the controlling principles of which he thoroughly understood; and if there be any thing which, more than another, evinces by unmistakeable manifestations, the straightforward truthfulness of Mr. TAYLOR'S character, it is his views upon this subject. Great financiers, so called, are not unfrequently great tricksters, whose main purpose is to make something out of nothing; who, sharp and unscrupulous, exert their powers in spinning meshes which entrap the unwary and involve them in destruction. Intricacy and double dealing, secrecy and indirection, are essential concomitants of their plans of action, and nothing so disconcerts them as openness and truth. But Mr. TAYLOR'S ideas of finance are as simple as they are just. They rest upon the substance and not the shadow of things. Whilst no man can, with more acuteness, detect and expose what is fallacious in financial pretence, so no man can, with more effectiveness, unfold and execute a sound financial scheme. If he approve it, it must be sound; for, before approving it, he examines the basis upon which it rests, and he knows that, however specious appearances may be, there can actually be no substantial or enduring superstructure upon any other than a solid foundation. It is because of his soundness of judgment upon this subject, and the unswerving integrity of his character, that he exercises so controlling an influence, as he does, in the management of the various corporations with which he is connected. As a director, as a member of executive committees, as a

faithful and discreet adviser, his wisdom and sagacity have always been recognised in this field of his operations. Indeed, general confidence in him is so thoroughly established that the mere association of his name with any enterprise gives it a good reputation, and stamps it, at once, with public favor.

In 1855, Mr. TAYLOR was appointed to the Presidency of the City Bank, an office which he has ever since filled with great credit to himself, and great benefit to that institution, as well as to the public at large; and there is nothing invidious in the remark, that under his Presidency and his directing influence, the affairs of that Bank have been so managed that, not only in its ordinary relations to the public, but also through every commercial vicissitude which has since happened, it has, in public estimation, stood second to none other in the community for financial ability and strength.

As an evidence of its high standing in public confidence, a significant fact may be stated. During the great panic of 1857, when ruin swept over the commercial world, and confidence in all of the established safeguards of property seemed to have been obliterated, and fear, suspicion and apprehension took complete possession of the mind of the business community; at this time, whilst the ever to be remembered "run" was being made upon the Banks, a meeting of the Presidents of those institutions was held for the purpose of taking counsel together as to the best means of providing against the storm in which they were involved. At this meeting, upon the enquiry being made how each of the Banks had been affected by the day's operations, it appeared that many of them had lost from fifty to ninety per cent of their specie reserve; but when the City Bank was called upon for information as to its condition, Mr. TAYLOR was able to answer, "We had $400,000 this morning; we have $480,000 to-night."

So far as Mr. TAYLOR'S connection with the financial concerns of the city has brought him into relations with the public, or the government, his conduct has always been characterised by unselfishness, on the one hand, and by patriotism on the other. In the midst of a panic his intrepidity evinces itself. It is too obvious a personal trait to suffer him to yield either to actual or imaginary dangers; and both his actions and his words are, at such times, invariably those of encouragement and cheer.

In the Clearing-House Association, and in the meetings of Bank officers, his judgment and sagacity have been relied upon, and he has always been prominent in the advocacy and advancement of all measures involving the common interests of the community and the Banks. The breadth of his views, and the soundness of his quick and intuitive judgment, have commanded the confidence and respect of his associates, and they have awarded to him a prominent position in their councils. He has been distinguished from the very commencement of the unhappy war in which the country is now engaged, as an earnest advocate of every measure for the aid and support of the Government by the Banks, to the extent of their ability. In political faith a democrat, in financial ideas a "hard money" man, yet having entire faith in the resources of the country, actuated by patriotic motives, he, subordinating his personal predilections to the wishes of the government, has from the first been strongly in favor of all of the public loans by the banks; and has, with singular assiduity, devoted his time and attention, not only to obtaining such loans, but to

the arrangement of the details and the fulfilment of the vast engagements resulting from them.

To this great work Mr. TAYLOR, as Chairman of the Loan Committee of the Associated Banks, gratuitously devoted a large portion of his valuable time for more than a year, during which, securities amounting to upwards of two hundred million dollars were entrusted to the Committee. All of these vast and complicated transactions were brought to a conclusion satisfactory to the parties concerned, and to their mutual advantage. It may, we think, be truly said that by the confidence shewn by the Banks in the loan to the Government, negotiated in July, 1861,—the darkest period of the war, and when from no other source could means have been obtained,—the country was relieved from a condition of difficulty and peril as great as it ever encountered; and very much, and well-deserved credit has been awarded to the Banks of this city for the patriotic service then rendered. To the influence of no one man was this bold measure more largely due than to that of Mr. TAYLOR.

Space will not permit us to dwell longer upon his career as a bank officer. It is sufficient to say that the same indomitable energy, perseverance, integrity and ability which have made him one of our first merchants have also made him one of our most useful and honored bankers; and it is doubtless true, that in no sphere of his active life has he rendered greater or more permanent public service than in that capacity.

The bravery and energy which Mr. TAYLOR displayed during the panic of 1857, both in his own affairs and in the concerns of others, will long be remembered by those who had occasion to witness them. Although his own obligations were somewhat extended, on account of his foreign correspondents, for whom he held large quantities of goods, which, for their sakes, he was unwilling to sacrifice, and the demands which the requirements of his own business made upon him were a sufficient tax upon his capacity and strength; yet, even then, he was not unmindful of the burdens which pressed upon his weaker friends. Indeed, throughout those days of peril and consternation, he stood the central figure of a group of men who leaned upon him for support; and how manfully and efficiently he, at this time, responded to the appeals which they made to his kindness and magnanimity, can be best told by them. The interposition of his strong arm saved many of them from utter ruin, and established claims upon their gratitude which will last as long as life endures.

After Mr. TAYLOR's fortune had, by the regular prosecution of his mercantile pursuits, attained to such a magnitude that a large surplus remained over what was amply sufficient, as a capital for his house, his energetic nature sought other fields of enterprise and usefulness, and he became largely interested in various directions in the development of the mineral and industrial wealth of the country. The great results which he has accomplished in these enterprises, both of benefit to himself and to the communities where they have been carried on, are due to the same qualities which rendered his mercantile career so brilliant and prosperous a one. His clear perceptions and sound judgment guided him in the selection of the field of operations, and his wonderful energy was employed in its development. At an early day, when the Wyoming Valley lay in agricultural repose, and the mineral treasures of its hills were undisturbed in their natural depositories, he, from personal investigations, was con-

vinced of the value and importance of the project of connecting it, by a railroad communication, directly with New York. He became, therefore, one of a small band of enterprising men, who combined for the purpose of carrying this project into effect. It was a great and difficult undertaking, but their indefatigable zeal was equal to it. The work was finally completed under the combined efforts which were made towards its consummation, and it has, at last, yielded the ample reward which they anticipated from it. But for them, it would, probably, have been long delayed, if it would not have been entirely abandoned. They, however, were convinced of its importance, and determined that it should be accomplished; and that must, indeed, be no ordinary obstacle which would not have yielded to their determined will. The panting locomotive, whose shrill whistle now awakens the echoes of the Wyoming Valley, seems, as it struggles along with its burden of mineral wealth toward the seaboard, to typify the strength and energy, and to illustrate the wisdom and forecast, of these sagacious men.

We have thus given a brief outline of Mr. TAYLOR'S career. It has not been practicable, in the limits which we have imposed upon ourselves, to enter into details, or to particularize the many and important operations in which, from time to time, he has been engaged. Nor does the purpose which we have had in view render it desirable that we should have done so; indeed, as he is still, with undiminished vigor, actively engaged in the pursuits of life, the proprieties incidental to the subject, impose a restraint upon us in this respect. Besides, we think that the lesson of his life may be as well conveyed in the general form in which we have presented it. If we have succeeded in what we have undertaken, it will show that extraneous aids are not essential to the greatest success in business life; that inherited wealth, or favorable circumstances, or the assistance of friends, are, really, unnecessary helps in the road to fortune; and that innate qualities of mind and character, are, after all, the most effective instrumentalities in overcoming the many obstacles that beset the path of the man of business.

Mr. TAYLOR is, emphatically, a self-made man. What he has achieved has been done by the exercise of his own unaided powers; but he laid the foundation of his business life so broad and deep, that what has been accomplished in it seems to have resulted, naturally, from what was done at its commencement. He started upon his career with a good name—justice and truth, honor and uprightness—these he inherited, and these he never sacrificed. To these he added energies so invincible, and an industry so untiring, that the requirements of labor always found him equal to its demands. His energy and industry are prominent characteristics, even at the present day. They are indicated in every movement of his body, and in almost every tone of his voice. Still active and unbroken, his quick walk, gestures, and other bodily motions, and the rapidity of his enunciation, show the strong impulses by which he is impelled. But his impulses are not unguided. His bright intelligence, his clear and active mind, are the compass and rudder whose suggestions he alway needs, and by which he pursues his way along the voyage of life. Although the operations of his mind are rapid, they are not superficial. Besides a wonderful insight, which leads him to penetrate the real motives and characters of men, through the mists and obscurity that frequently envelop them, he possesses that rare mental quality which enables him to reason

rapidly and to reason well. It has been remarked of him that "his deductions are always sound, and his judgments are always just;" and the correctness of this observation finds its warrant in the substantial elements of his character. Of great simplicity, free from all ostentation of superiority, habitually subjecting himself to what is right and true, his mental processes are, almost necessarily, the operations of an unperverted mind; and his conclusions are just because *he* is so.

Our notice of Mr. TAYLOR would be incomplete without some reference to his kindness and generosity. Prosperity has not hardened him, nor made him selfish, nor rendered him indifferent to the claims of friendship or the impulses of benevolence and humanity. Throughout his whole mercantile life he has been, especially, an efficient helper of young men. His course, in this respect, has been marked by many noble and generous deeds. It is not his idea to sympathise with the idle or the shiftless—these he leaves to suffer the natural consequences of their folly or vice. He will not help those who make no effort to help themselves. But to the deserving, as well as to the really unfortunate, he readily lends a helping hand and a sympathising interest. To his friends he has ever been a pillar of strength; and many an industrious young man, who has attracted his notice, and many others who have had claims upon his regard, have reason to be grateful for the generous and efficient way in which it is habitual with him to fulfil the obligations of friendship.

CONQUEST OF MEXICO BY FRANCE.

T. M. J.

To follow the course of a semi-enlightened nation through its various revolutions; to narrate the success of one political party, which has worked and fought its way to the possession of a temporary power; to tell the story of its overthrow, and the establishment on its ruins of a like temporary authority, vested in the hands of its enemies, is but a thankless and uninteresting task. Where is there one who would take the trouble to write, or one who would be sufficiently interested to read, such an account. The alternate elevation and depression of each seem alike unproductive of good, and we turn away with feelings of weariness and disgust from a detail of merely petty squabbles, childish jealousies, and absurd ambition. It is only when the contending parties are fighting for the establishment of some principle of essential importance to the well-being of the people at large, on the success or failure of which vital interests are depending, that a fair claim is made to the attention of enlightened minds, or to the dignified name of History.

The course of events in Mexico, for a long period, was not such as to excite much interest in the civilized world. Its past splendor, as the magnificent Empire of Montezuma, the romantic story of its conquest by Cortez, were insufficient to make up for the barrenness of the present. In the narrative of current events, who paused to peruse that portion which related to Mexico? The merest trifle of home or foreign intelligence was more attractive. But now the aspect of things is suddenly changed. What is trans-

piring there has assumed an importance second only to what is passing in our own country. Why is this? Why are we at once aroused from a state of almost absolute indifference, to one of keen and lively interest? It would no doubt be highly gratifying to be able to impute it to a generous desire for the advancement of a people, who, by their position as neighbors, and by their condition of progressive development, are so entitled to our good offices. But the truth is too self-evident to be glossed over by anything so flattering. It is self-interest,—the effect the revolution may have upon ourselves—which has so touched the feelings of the American public. And indeed the consequences may be serious enough to justify this extreme change of feeling, and properly excite our liveliest apprehensions.

It is not one of the least deplorable results of our unhappy difficulties, that the Mexican Republic should have been exposed to the dangers, which now threaten it. It is certainly not too much to say, acknowledged as it is even by foreign journalists, that the present attack upon Mexico would never have been made, had the United States been in the same condition, to repel European encroachment, as it was a few years ago. With an ally so powerful, Mexico could successfully have resisted all attempts at coercion, which should go to the length of interference with the internal government, and gained time to pay off the money obligations, which have served as an excuse for the present intervention.

Out of the seven and a half million of people who live in Mexico, only about one million belong to the pure white race. The rest are either the descendants of the ancient Aztecs or belong to the motely crowd of the half breed population. The whites, however, although numerically inferior to either of the others, have always managed to hold the reins of government. They have allied themselves now to one now to the other, making each by turn the stepping stone to power. They make no scruple, when it suits their purpose, of leaving the side by which they have gained, and of making friends of their former enemies and enemies of their former friends. Thus at one time we see them on terms of the closest intimacy with the Indian. He is admitted into their councils, and is invested with a show of power, which he is allowed to retain, as long as he is necessary and useful; but no sooner is the necessity over than he is deserted by his former friend, who joins the half breed and uses him in the same way as occasion serves.

So it is that the Spaniard has retained his power in Mexico. By means of a superior mental capacity, which has been misused to the annihilation of all civil liberty, the Indian and the half breed have been trampled in the dust, even when aiding the advancement of their foe. We may now, however, hope that a new era has arrived in the history of the Mexican Republic—when the Indian, learning wisdom by past experience, will refuse any longer to be the dupe of his wiley adversary, but will seize and hold that power to which he is so justly entitled.

Benito Juarez, the present President of Mexico, is an Indian, and has done more than any one else to raise his country, and emancipate it from the controlling Spanish influence. He belongs to the powerful tribe of the Zapatecos, and was born in the year 1807, near the town of Istlan, in the state of Oajaca. His parents were poor, and he obtained his education only through the charity of a rich family, which he entered in the capacity of a servant. By its patronage he was enabled to prosecute the study of the law, and, taking a high stand in his profession, was soon a magistrate, then a chief justice, and afterwards a member of the legislative assembly.

In all the unfortunate contests and disturbances, which have during his career harassed his country, JUAREZ has uniformly adhered to the liberal principles which he early in life adopted. On account of this adherence to principle, if for nothing else, we should trust his honesty; while the fact that he belongs to a despised and down-trodden race, and yet has raised himself to the highest position which his country could bestow, leaves no doubt with regard to ability.

In 1846 he was elected a deputy to the Congress of the Republic. This was the period when the war with the United States broke out. To provide means to carry it on, the great wealth of the clergy was laid under contribution, and his support of that measure was probably one cause of their hostility against him. In 1852 he acted as governor of his native state, Oajaca; and he availed himself of this period, which was one of tranquility, to set on foot important internal improvements. He built roads, increased the number of the national schools, and, although there was, when he assumed the position, a deficiency in the budget of Oajaca, yet, on his resignation, he left a considerable sum in the public treasury. But his liberal principles made him obnoxious to SANTA ANNA, the Dictator, and he was exiled in 1853. He went to Havana, and afterwards to New Orleans, where he resided till the spring of 1855. He then returned to Mexico and joined the Indian General ALVAREZ, who had made so successful a head against SANTA ANNA as to have secured the control of several provinces. An assembly of these provinces having elected ALVAREZ provisional President of the Republic, JUAREZ was appointed his minister of justice. In this position he was the means of bringing about the abolition of the privileges of the clergy and the army, thus adding another to his list of offences against the former of these powerful bodies, and showing his determination to carry out his liberal principles even in opposition to such mighty foes. At the retirement of ALVAREZ, JUAREZ also resigned his office, but was subsequently re-appointed governor of Oajaca by COMONFORT, the successor of ALVAREZ. Some changes occuring, owing to the introduction of the new constitution of 1857, he was made successively Secretary of State and President of the Supreme Court of Justice.

When, however, COMONFORT was overthrown by ZULUAGA, JUAREZ became President of the Republic, in accordance with the requirements of the constitution. He refused to surrender his just right at the bidding of a revolutionary leader, and, although expelled from the capital by the superior force of his enemies, still kept up his government in the city of Vera Cruz. Thus this country, long torn by opposing factions, suddenly found itself possessed of two governments, and under the control of two hostile chiefs. The former, to which MIRAMON succeeded, supported itself on plunder, forced loans, and the blessings of the clergy, (enjoying, at the same time, the more solid support of their immense temporal treasures;) the latter, useing the largest port of the country as their capital, derived a more legitimate revenue from the customs. Each party, indeed, claimed to be actuated by principle. The first boasted itself the champion of the church, the second of liberality. The vain vaunt of the one was a cloak to conceal ambition, while the power of the other was overthrown by the French, before it was tested in the crucible of time. The government of JUAREZ, however, was the only one, giving any promise of stability and uprightness, which had appeared for years. Whenever he had held power his efforts had been to restore order, uphold good faith, and advance civil liberty, and

those efforts have not been entirely in vain. His conduct with regard to the famous JECKER loan clearly shows both his willingness to uphold the good faith of his country, and also his determination never to submit to any unjust imposition. This JECKER loan, of which there has been so much talk, is probably as rascally a piece of business as ever disgraced a respectable house. A short time before MIRAMON was overthrown by JUAREZ, his government being in want of money, as it always was, and not very particular as to the way of procuring it, borrowed of the Swiss house of JECKER & Co., in Mexico, the sum of $750,000, and gave them bonds to the amount of $15,000,000. We do not know what the idea of the MIRAMON government was, which led it to borrow $750,000 and promise to pay $15,000,000, unless they knew that they would have no money to pay with, or foresaw that their day was near its end, and somebody else would have to foot the bill. At any rate MIRAMON was soon overthrown, and JAUREZ came into power. Shortly after this revolution, M. JECKER, who was under French protection, called upon the President, and suggesting the propriety of having their little account settled, begged JAUREZ to accommodate him with the trifle (fifteen millions of dollars) which he claimed was owed him by the Mexican government; but JAUREZ, unable to discern the propriety of acceeding to this very modest request, refused to accomodate the banker. If, however, Sir CHARLES WYKE, the English minister to Mexico, was rightly informed, JUAREZ recognized the principle, that he had succeeded to the debts as well as to the benefits of rule. He granted that foreign powers knew nothing of the different parties, but only of the Mexican government; and, consequently, while he repudiated the idea that he was liable for the $15,000,000, he was nevertheless willing to pay the $750,000, with 5 per cent interest. Nothing short of the full amount, however, would satisfy M. JECKER, who went away in a huff, and vowed vengeance. Such is the famous, or, more properly speaking, infamous, JECKER loan. The conduct of JAUREZ cannot, we think, be regarded as otherwise than creditable to his administration; especially when we consider that the money was borrowed and used by his enemies: by the very men he had just overthrown. We know of no other government that would, under similar circumstances, make as liberal an offer, unless compelled.

But France had other claims against Mexico; at least she so insists, although she has never specified them. The fact, however, that JULES FAVRE and his colleagues, who had always opposed the Mexican war, and were regarded, in some degree, as aiders and abettors of JUAREZ and General ORTEGA, were returned as representatives to the legislative assembly, by an overwhelming majority, showed that the people of Paris did not consider the claims of France against Mexico a sufficient *casus belli*. France, moreover, was not the only country that had claims against Mexico. We also held Mexican bonds to quite a large amount. Spain too had cause of complaint, and the pecuniary obligations of Mexico to Great Britain were probably greater than those of France and Spain together.

But while we uphold the cause of President JUAREZ, we do not affirm that his government was unexceptionable, or that he did everything he could to establish peace and satisfy all just and lawful demands. We do not mean to affirm that as soon as he came into power he brought order, by a kind of magic, out of the political chaos, which had preceded him. Doubtless there were many things that might have been improved. He had not been in power very long, and perhaps did not do all he could even

during the short time that he had been. But still there was a step in the right direction. All the foreign ministers residing in Mexico agree that the existence of law and justice had put an end to the daily murders and other acts of atrocity, which had previously been committed. "Progress has been made," writes our own representative. "The signs of regeneration, though few, are still visible. Had the present liberal party enough of money at command to pay an army of ten thousand men, I am satisfied it could suppress the present opposition, restore order, and preserve internal peace."

Let us see now what the exact position of Mexico was, with regard to her foreign creditors, and what was her disposition and ability to discharge her obligations.

The intervention in Mexico by England, France and Spain was professedly, at least, to satisfy the claims of their people holding Mexican bonds. They could not, indeed, interfere in the affair at all, as long as it remained a money question merely between a Mexican and a British, French, or Spanish subject. But when the money, deposited for safe keeping in the house of the British legation, had been stolen; and when the Mexican government had agreed to appropriate a certain per centage of its customs, to pay what were known as the British, Spanish and French convention debts, then the matter was raised from a personal to an international obligation, and became one in which the different governments could justly interfere. The plan adopted would doubtless have satisfied foreign claimants, if it had been strictly carried out; but really it came to little. The government of Mexico acted in such a way as to excite the suspicion that it did not mean to do as it promised, and would not unless compelled. In July, 1861, however, things came to a crisis. It was then that the Mexican Congress adopted the resolution of taking all the revenue of the country under its own control, and of suspending the payment of the British, French and Spanish convention debts. This immediately created a disturbance. The French minister demanded his papers; the English entered his protestation. Sir CHARLES WYKE told the JUAREZ government that it had committed an unpardonable breach of faith, and the Congress had very generously given away what did not at all belong to it. The fact was that the government was sorely in want of money, and was trying every possible expedient to get it. But although this might have been taken into the account by foreign governments, it did not force itself very heavily upon the minds of the merchants and the stock-brokers. The former class of these *nunquam non parati*, (where there is money to be had,) who hailed from Great Britain, were pressing upon Sir CHARLES WYKE and begging him to get their money for them in some way, they were not very particular how. Both of them in London were addressing Earl RUSSELL upon the same (to them most important) subject. The honorable Secretary of Foreign Affairs refused, however, to acknowledge the principle that the government was in honor bound to collect debts; but acknowledged that, in the present instance, force might be used to demand a prompt and satisfactory payment.

Diplomatic intercourse had now ceased to exist between England, France and Spain on the one hand, and Mexico on the other. The Republic had not satisfied its creditors; and nothing remained for them to do, but to step in and help themselves. This was certainly legal, and in some respects just and proper. But when we take into consideration the condition Mexico was in, and the efforts she was making to advance to a better state of things, we cannot but think that she might have met with a little more indulgence

from the three allied powers. Nevertheless they had the power to do it, and do it they would. If they could not get their money by asking for it, they must seize a port and appropriate the customs. They had a right, that is, to help themselves to the extent of their just due, and nothing more. Many of the claims put forward doubtless were just, and many were ridiculous. To demand $15,000,000 for $750,000 which had been loaned, and to hold the JUAREZ government responsible, while his enemies were recognized as being in power, (both of which the French did,) was sheer nonsense. As we had claims against Mexico, we were invited to take part in the expedition; but it is not our custom to form alliances with European powers, and we respectfully declined. Our government, however, kept a watchful eye on the expedition, especially on the doings of France. We could not object that foreign nations should collect, by force if necessary, money due to their subjects; but we could object, if they endeavored to interfere in the internal affairs of Mexico, and take control of the country. Accordingly, Mr. DAYTON endeavored to find out from M. THOUVENAL, whether there were any other motives, which influenced the French, besides the realization of their money debt. He received the assurance that that was their sole object. Mr. SEWARD also wrote a letter to Mr. DAYTON, in which he asked, whether the forces sent against Mexico by the three powers were "likely to be attended with a revolution in that country, which will bring in a monarchial government there, in which the crown will be assumed by some foreign prince." This was touching the tender point. M. THOUVENAL heard the dispatch read and replied, "that France could only reassure us of her purpose not to interfere in any way with the internal government of Mexico." Such might indeed have been the purpose of France, but such was not the purpose of the Emperor NAPOLEON. Long before M. THOUVENAL made this unconditional reply, the Emperor had offered the crown to the Austrian Archduke, and ALMONTE had openly boasted of it in the streets of Paris. As we are not lawyers we fail to recognize those nice little distinctions, which shield such diplomacy from the charge of direct and open falsehood; but as it was intended to convey, and succeeded in conveying, to Mr. DAYTON an entirely false idea, we do not hesitate to affirm that it looked very much like it.

Previous to this, however, a convention met in London, and the representatives, on behalf of the three powers, signed the treaty of alliance. The treaty, after stating in a few words the reason for their combined action, declared, that the high contracting parties are to make arrangements at once to despatch sufficient naval and military force, to seize and occupy the fortresses on the Mexican coast. The second article contained these highly significant words:—"The high contracting parties engage not to seek for themselves, in the employment of the coercive measures contemplated by the present convention, any acquisition of territory, nor any special advantage, and not to exercise, in the internal affairs of Mexico, any influence of a nature to prejudice the right of the Mexican nation to choose and constitute freely the form of its government." Of what value must we regard the treaties and compacts of nations, when we find the Emperor of the French, in the face of this most solemn assurance, using force to overthrow the Mexican Republic and to change it into a monarchy?

The expedition, however, had now sailed. The French and Spanish squadrons were to meet at Havana and proceed to Cape St. Antonio, the western extremity of Cuba. Here they were to meet the English vessels,

under the command of Admiral Sir A. MILNE. Owing, however, to some misunderstanding, the Spanish part of the expedition did not wait, but, sailing over to Vera Cruz, easily took possession of the city. The English and French soon arrived, and the country lay at their mercy. The British force consisted of only one line-of-battle ship and two frigates, with seven hundred supernumerary marines. The French was much larger, numbering about two thousand five hundred men; and that of Spain amounted to six thousand. This gave the Emperor an excuse for sending out a reinforcement of three thousand soldiers, which he did, on the ground that the French force should not be inferior to the Spanish.

But the allies did not agree very well from the very first. The English were displeased because reinforcements were sent from France. They suspected some designs on the part of the Emperor, different from those that were acknowledged, and M. THOUVENAL had to give almost daily assurances to the contrary. France did not like it, because Spain had gone off alone and seized the port of Vera Cruz. She knew she was not sincere herself, and could not believe her companions were. There was a general feeling of distrust, and they began to watch each others actions for the hidden, selfish object to reveal itself. They had, however, reached their destination and taken possession of the principal Mexican port, and the next thing that suggested itself was,—What were they to do there? This was an important question, and one which required grave consideration. So the representatives of the high contracting powers got their heads together and hit upon an exceedingly Yankee device. They issued a proclamation! They would let the Mexicans know what they came to do, and what they meant to do, and then they would wait, like Mr. MICAWBER, for something to turn up. The proclamation contained just what we might suppose it would contain. It told the Mexicans that the allies had come among them as friends; that they did not intend to do any harm, and all they wanted was that the Mexicans should establish peace and order among themselves and be true to their obligations. So the proclamation was published, and read by some people and not read by others, and that was the end of it.

Then they began to put forward their money claims. First, the French demanded $15,000,000, on account of the JECKER loan. Then they wanted $12,000,000 additional, which they said was about the aggregate of what was owed them by Mexico. The various items they did not appear to trouble themselves about, but as Count de SALIGNY, the French plenipotentiary, had not looked into the claims, and said it would require a year to do so, they appeared to think it would save a great deal of inconvenience and much valuable time to take that amount and call it square. Of course the English and Spanish did not uphold such absurd nonsense as this. They were vexed with the French for demanding it, and saw, not only on account of this demand, but on account of other acts of the French, that there was to be trouble in the future. The revolutionists, living in the French camp and under French protection, began to issue proclamations to the people, to overthrow the JAUREZ government. They openly boasted that the Emperor of the French had sent them to do so. Some of them were men of the most desperate character; some of them the most dastardly ruffians of the civil war. But when MIRAMON, the ex-President, arrived in the country, the English declared that they would arrest him as the robber who plundered the British Legation, and compelled the French to send him back to Cuba. The conduct of the

French, in protecting these outlaws, had the effect of exciting among the Mexicans the suspicion that the allies intended something more than they professed. Indeed it could not be otherwise. Professions were constantly being made, that the three powers did not intend to interfere in the internal affairs of Mexico; and yet the very men who had just been banished from the country as rebels and traitors, were protected by the French flag, and vaunted openly that the Emperor had sent them to overturn the Mexican government. Such acts, of course, entirely nullified all the assurances that England and Spain could make. These two powers doubtless were sincere. They had gone to Mexico simply to demand payment of their debts. They did not want war, and what they said was doubtless true. France had made them her tools to start the expedition well, that she might carry out her underhand designs, and they had not penetration enough to perceive it. Still they were with the French, and must be judged by the company they kept. It was useless for them to make professions of friendship, so long as ALMONTE and his clique were issuing inflammatory proclamations from their ally's camp. Sir CHARLES WYKE and General PRIM, the Spanish commander and plenipotentiary, remonstrated against these proceedings, but it had no effect upon the actions of the French.

It was necessary, however, that something should be done. Either the difficulty must be settled amicably, or war must ensue. General PRIM accordingly held a conference with General DOBLADO, President JUAREZ's Minister for Foreign Affairs, and it was agreed that a further conference should take place at Orizaba, on the 15th of April, 1862. In the meanwhile, the Mexican government was to be recognized by the allies, and the allies in turn were to be allowed to occupy certain more healthful localities, which should be surrendered in case the negotiations failed. These arrangements of General PRIM were approved of by the English and Spanish Governments, but the French would not hear of it. They were afraid that even the faint shadow of a ground for complaint, which they now had, would be removed; and as they wanted war, and were determined to have war, and nothing but war at any price, they commenced to invent all sorts of excuses. They said that there was no use of any more talk, that they had suffered so many fresh grievances (which, by the way, they were very careful not to specify), that they were sure the Mexicans did not wish to satisfy them, and they thought the best thing to be done was to march at once on the capital. Sir CHARLES WYKE and General PRIM, however, would not agree to this. They told Count de SALIGNY that if such was to be the policy of France, if she still continued to harbor the conspirators, and refused to treat with the Mexican government, and acted in a manner so decidedly bellicose, they would be compelled to break up the alliance and leave the French alone to do as they saw fit. And as the French gave no intimation that they intended to turn from past evil ways, the English and Spaniards weighed anchor and departed from Mexico, without having obtained money enough to pay the cost of the expedition. So ended this famous triple alliance. England and Spain had undoubtedly been made the dupes of France. The Emperor wanted the expedition to be well started, and when he had gained his object and felt himself prepared to go on alone, he gave his friends the cold shoulder, and took the reins entirely in his own hands.

The French army now prepared for war. Its commander, General

Lorencez, by way of opening the campaign in a correct and dignified way, followed the example of his illustrious predecessors, and issued his proclamation. And a fiery proclamation it was. He told the Mexicans that he had come amongst them, not to take part in their difficulties, but to settle them. That war was to be made on the government, not on the people. That the people deserved better things than they had received, and France intended they should have them. The government was to be overthrown, but the people must join him; which of course they did with the alacrity of a boa-constructor that has just swallowed a buffalo. Notwithstanding the wholesale enthusiasm with which the Mexicans flocked to the standard of France, and sought the protection of the tri-color, General Zaragoza found himself at the head of quite a powerful force. Withdrawing his troops from Orizaba, he hastened to occupy Puebla, where he fortified himself, and awaited the coming of his enemy. The French occupied Orizaba, and then pressed on to Puebla, where they expected an easy victory. Indeed they thought that the inhabitants of that city would welcome them, as deliverers from a cruel oppression; that the Mexican damsels, encouraged by their elderly matrons, would shower down roses upon their heads, and testify their joy in every conceivable way. But they found they were mistaken. Somehow the thorns on the roses were sharper than they imagined they would be, and the perfume was not so fragrant as that which they had been accustomed to inhale in the sunny land of France. Instead of joyful crowds of the inhabitants hastening to meet them with colors waving and drums beating, they were greeted by two grim, gaunt, ugly looking forts placed directly in their way, and informing them, in a very intelligible dialect, that there was no admittance there except on business. Instead of the merry cheer of the delighted populace, they heard the low booming of the heavy ordnance, which warned them to keep at a respectful distance.

So General Lorencez saw that the place would have to be taken by storm, and he accordingly made preparations for the attack. The French went bravely to their work, but they met with an obstinate resistance. The Mexicans were as much in earnest as their enemies. The battle lasted all day, and, when evening came, the French had been driven back, and were compelled to retreat. Indeed they had been totally defeated. The two forts of Guadalope and San Loretto, which defended the town, still held out against them, and they were forced to retire to Orizaba. This was very unpleasant tidings to be received by a people ambitious of military glory. But there was no help for it. The French people began to understand, that the Mexican war was not quite the holiday festival, which they had imagined it would be. They began to recognize the fact, that roses were not as plenty in Mexico as bayonets, and the people knew how and were determined to use the latter. Still General Lorencez tried to smooth it over the best way he could. He represented that his soldiers had been very brave, as doubtless they had been, and, when surrounded by overwhelming numbers, had cut their way through in a very handsome style. The last part of his report we give in his own words, as it shows what his expectations were with regard to a friendly reception. After giving an account of the battle, and what he had been compelled to do, he sums up as follows: "Such was, Monsier le Marechal, my situation before Puebla, the town most hostile to Juarez, according to persons in whose opinion I considered myself bound to trust, and who formally as-

sured me, according to information, which they were in a position to obtain, that I should be received there with transport, and that my soldiers should enter the town covered with flowers."

But the French were not discouraged by their first failure. They must try again. So General FOREY was sent out with reinforcements, which swelled the number of troops to 30,000 men. General FOREY was doubtless the man for the place. He acted with great energy. He immediately advanced against Puebla and took it about a year after LORENCEZ's defeat. The obstinacy with which Puebla was defended does not need recital here. We read but yesterday how inch by inch the Mexicans opposed the progress of their enemies; how they made barricades in the streets and covered the ground with their dead. They turned their houses into forts, and, rather than surrender, blew them up and perished beneath the ruins. The French fought with great bravery. Their ranks, thinned by the deadly fire of the Mexicans, were immediately filled up, and on they still came. Those houses which they were unable to take they blew up, inmates, defenders, and all. They fought as if everything depended on success, and successful they would be—and indeed they were so. Puebla was taken after a most heroic defence; but with the fall of Puebla fell the hope of Mexico. That was the great strategic point, and now that it was gone, there was no other where they could hope to offer much resistance.

The rest is easily told. General FOREY immediately followed up his victory, and occupied the capital. In the city of Mexico there was a large church party, who received him cordially; and this fact was exaggerated by the French papers, not only into acquiescence on the part of the Mexican people in French rule, but even into a general rejoicing on account of the overthrow of their government, and the destruction of their country's independence. General FOREY of course did not believe any such stuff. It did very well to humbug the French people, but a different account was sent to the French government. The Emperor was distinctly informed of the truth; how that one column had been sent here, and another there, to keep down the threatened insurrection. But still the capital was taken, and there were fetes and balls, and all that sort of thing. The French found it very pleasant, and the Mexicans were delighted that there was to be no more war. So the French officers made themselves as agreeable to the Mexican ladies as difference of dialect would permit; and they danced with the pretty girls and did the polite thing generally.

While all this was going on, and people had their heads turned by gaity and excitement, General FOREY called a council of notables together. By a unanimous vote it declared that the Roman Catholic was henceforth to be the religion of Mexico, and the country was to be changed into a monarchy, and the Archduke MAXIMILLAN of Austria was to be requested to fill the the vacant throne. If it had declared that the Archduke *had been* requested, it would have been a little more correct. Nevertheless, he was now invited by the *unanimous* voice of the people; that is, by the voice of the council of notables, made unanimous by 30,000 French bayonets.

Such is the history of the French intervention in Mexico, an intervention undertaken for conquest and carried out by treachery. The Emperor has steadily adhered to, and, temporarily at least, accomplished his purpose. He has overthrown the Mexican government,

and established one which he likes better. He has destroyed Mexico as an independent country, and turned it into a French province. He has steadily adhered to his purpose—a purpose which he kept constantly declaring was the very farthest from his thoughts. Whether, in the long run, he is likely to succeed, and to establish in the new world a permanent monarchical government; what effect the intervention will probably have on Mexico herself; and, last but not least, how it should be regarded by the government of the United States, are questions which we propose to consider at some future time.

MINERAL WEALTH OF THE UNITED STATES.

IRON, COPPER, LEAD, GOLD AND SILVER.

VAST as is the mineral wealth of the United States at this moment, it does not appear to have been of much interest to the early settlers. This, perhaps, is not surprising, since the more direct family wants were then so pressing that they had no time to bestow upon the production of those metals which conduce more to the advancement of large societies of men. It has only been of late years that the necessary labor and capital could be applied to the development of our great mineral deposits, which now dazzle the eyes of adventurers, and attract capital. Iron, coal, copper, lead, gold and silver, are distributed in rich profusion in all sections of the country, and the annual production increases with great rapidity. Some discoveries, however, were made in the early times, particularly of iron. There were iron works in Virginia in 1705; and in New York in 1732, six furnaces and nineteen forges were in operation. In 1702 there was a shot furnace at Plymouth, and in 1715 there were furnaces in Maryland, Virginia, Pennsylvania, causing, by the way, so great displeasure to the Imperial Parliament, that in 1750 it forbade the erection of rolling mills. In 1651 General WINTHROP obtained a license for working "lead, copper or tin, or any materials." Under this license an argentiferous lead mine was worked at Middletown. In 1742 this same mine was reopened and found to be in a good state of preservation. In 1709, copper mines were worked at Simsbury, Connecticut, and in 1719 a mine of this metal was worked in Bellville, New Jersey, and still others in Lancaster County, Pa. The copper mines of Lake Superior were known in 1660 to the Jesuit missionaries, and the lead mines of the upper Mississippi were discovered in 1700, and were worked in 1780, by DUBUQUE, a French miner, whose name remains in the locality. The only coal mines worked in those early days were some on the James River, twelve miles above Richmond. The precious metals were altogether unknown, and dependence of the country upon Great Britain for the supply of iron was such, that little attention was paid to our own mines of that metal.

IRON.

After the year 1750, the working of iron was limited to the production of pig iron, for export to the mother country; and in 1771, about 7,251 tons were shipped hither. Our necessities during the revolutionary war created a demand, and gave a great impulse to production, so that iron

and lead ores were sought for with great eagerness. Subsequently the mining interest was increased rapidly, being developed by new inventions, and strengthened by accumulated capital. In 1810, the production was 54,000 tons of charcoal iron; in 1830, 165,000 tons; in 1840, 315,000 tons; in 1850, 564,755 tons; in 1860, 854,981 tons.

Up to 1840 charcoal had been the only fuel used in the manufacture of iron, and while it made, as compared with coke, a greatly superior quality, the general demands of the trade required a cheaper iron. In the year alluded to, a great change was produced by the introduction of anthracite coal for smelting purposes.

Three elements are essential in the production of pig-iron—ores, fuel to reduce them, and a suitable flux to aid the process by melting with and removing the earthy impurities of the ore, in a fiery, flamy, glossy cinder. Limestone is the flux most used, and, in our country, coal, limestone and iron ore, are generally found in close proximity. We have not space here to describe the several ores, but may state briefly they are hematities, magnetic and specular ores, the red oxides of the secondary rocks, and the carbonites. The first is the favorite, and three-fourths of all the iron of the United States is made from the first three varieties.

Up to 1840 the charcoal furnaces seldom made more than 4 tons per day. Since then larger furnaces, the use of hot blast, and more efficient blowing machinery, have raised the product to 10 or 12 tons per 24 hours. The development of this industry is now such, that it will probably go on doubling every ten years. The general tendency of circumstances in Great Britain is to raise the cost of coal and ore and labor, and to enhance the cost of the iron. While in the United States, owing to the great abundance of the ores, the improved means of transportation, and other circumstances, the cost is being reduced. The difference in price between the two countries will, before long, be in favor of the United States, and England may have to pay back for a portion of that iron of which she has hitherto been so prodigal.

COPPER.

Notwithstanding the great importance of the copper mines at present, it is only of very recent date in the history of the country, that this industry has been much pressed. Most of the States have more or less ore, but few of them have it in sufficient abundance to pay for working. The Simsbury mine, of Connecticut, was worked from 1709 to about 1750, when it was purchased by the State for a prison, and was worked sixty years by the convicts without much profit; another mine was opened at Bristol, Connecticut, in 1836, and gave 1,800 tons of ore, 18@20 per cent. copper, up to 1857, when it was abandoned. In New Jersey many mines have been worked and abandoned from insufficient supply of ores. The leading ones were the Flemington mine, the Schuyler mine at Belleville, the Bridgewater mine near Somerville, a mine near New Brunswick, and the Franklin mine. There were also mines in Pennsylvania, in Maryland, in New Hampshire. In Virginia ores are found near Manassas Gap, and in Carroll, Floyd and Grayson Counties, ores were discovered in 1852, giving 20 per cent of copper, and from one to two million pounds of ores per annum were sent over the Virginia and Tennessee Railroad from 1855 to 1860.

In Tennessee there is an important copper region in Polk, extending to

Gilmore County, Georgia, and about fourteen companies existed in the region, making 13,000 tons, giving 20 per cent copper, worth $1,300,000. There were several other important companies, owned mostly in New Orleans.

West of the Alleghanies the only valuable copper mines are those of Lake Superior. The existence of the copper in those regions was known to the Jesuits as early as 1659, and reports of the copper were received from time to time, until in 1819, Gen. CASS and Mr. SCHOOLCROFT visited the region, and reported upon the great mass of copper upon the Ontonagon. It was not until the ratification of a treaty with the Chippewa Indians, in 1842, that white traders visited the region, and about that time the reports of the State Geologist of Michigan drew attention to the vast mineral resources of the section. In 1844 great excitement prevailed on the subject, and an immense number of mining locations were issued at Washington, mostly for the neighborhood of Keweenaw Point. Since then the mining business has gradually consolidated, until now it is mostly confined to three districts—the first, Keweenaw Point; the second, about Portage Lake; and the third, near the Ontonagon River. The magnitude of the business in that region at present, is indicated in the following statement of the product of the Lake Superior Copper Mines for 1863:

PORTAGE LAKE DISTRICT.

	Tons.
Quincy	1,472.75
Pewabic	1,083.38
Franklin	780.09
Isle Royale	372.46
Grand Portage	247.44
Hancock	72.16
Huron	69.14
Mesnard	1.50
St. Mary's	2.00
Columbian	3.63
Total	4,104.55

KEWEENAW DISTRICT.

Cliff	1,449.01
Central	440.11
Copper Falls	234.31
Phenix	151.10
Petherick	56.72
Amygdaloid	51.60
Garden City	39.44
North Cliff	4.50
Bay State	2.50
North America	—
Eagle River	—
Total	2,489.29

ONTONAGON DISTRICT.

	Tons.
Minnesota	1,011.72
National	415.20
Rockland	197.94
Evergreen Bluff	95.21
Knowlton	68.10
Ridge	46.62
Carp Lake	45.57
Superior	41.92
Bohemian	23.90
Ogima	19.17
Flint Steel	22.49
Caledonia	5.93
Mass	5.86
Hilton	4.00
Aztec	1.07
Adventure	—
Total	2,004.70

RECAPITULATION.

Portage Lake	4,104.55
Keweenaw	2,439.29
Ontonagon	2,004.67
Total	8,548.53

These figures show a decrease on the production of 1862 of 413½ tons,

which is confined entirely to the Ontonagon District; the Portage Lake and Keweenaw Districts showing an increase.

The following table will give, in round numbers, as nearly correct as possible to obtain, the amount of rough copper produced by the mines of Lake Superior since the first attempt to develop its richness by regular mining:

	Tons.		Tons.
1845–1854	7,642	1860	6,000
1855–1857	11,312	1861	7,400
1858	3,500	1862	9,062
1859	4,200	1863	8,548
Total			57,664

LEAD.

Lead like copper has been discovered in most of the Eastern States, but not in sufficient abundance or richness to pay for working to advantage. In Massachusetts, New Jersey, and Pennsylvania mines have been worked, but the great dependence for home supply has been on the prolific mines of Missouri and Wisconsin, which have given, since 1832, a large annual supply. This, however, culminated in the year 1846, or about the time of the gold discoveries of California, those discoveries drawing off the miners to the more dazzling region. The eastern States have experienced a greatly increased demand for lead during the last twenty years, since the introduction of the Croton water in New York city. That event was followed by similar enterprises in most cities of the Union, and, as a consequence, by a very marked increase in the demand for lead pipe. This demand was in addition to the growth of the regular demand for other purposes naturally attending the growth of a wealthy population.

The following table will show the decline in the payment on importations of lead consequent upon the prosecution of the Wisconsin mines, up to the time of the renewed demand for water works, which could be supplied only from abroad, mostly from England and Spain:

Years.	Pig lead. per 100 lbs.	Amount of pig lead from American miners received at St. Louis and N. Orleans, lbs.	Amount of pig, bar, and sheet lead imported, lbs.	Invoice value of yearly importation.	Ave'ge invoice value, per 100 lbs.	Ave'ge rate of duty, per 100 lbs.	Amount of white and red lead imported, lbs	Invoice value of yearly importation.
1822	$5 94	8,540,000	5,838,588	$124,811	$2 83	$3 00	557,781	$80,791
1833	5 91	12,600,000	2,282,068	60,600	2 66	3 00	625,069	36,049
1834	5 12½	14,140,000	4,997,293	168,811	3 38	2 77	1,024,683	57,572
1835	6 56	16,000,000	1,006,472	35,663	3 54	2 77	832,215	50,925
1836	6 37½	18,000,000	919,087	35,263	3 84	2 55	908,105	62,287
1837	5 96	20,000,000	335,772	18,871	4 13	2 57	599,980	47,816
1838	5 29	20,860,000	165,844	6,573	2 96	2 84	522,681	38,683
1839	5 83	24,000,000	523,922	18,631	3 52	2 31	72,408	80,905
1840	4 89	27,000,000	519,243	18,111	3 52	2 08	643,418	41,043
1841	4 50	30,000,000	62,546	2,605	3 33	2 07	532,128	31,617
1842	3 81	33,110,000	4,689	155	3 30	3 00	479,788	28,747
1843	3 58	39,970,000	290	3	1 03	3 00	98,166	5,600
1844	3 90	44,730,000	data not at hand.			3 00	not at hand.	
1845	4 03	51,240,000	19,609	458	2 34	3 00	231,171	14,744
1846	4 78	54,950,000	914	6	2 80	3 00	215,434	15,685
1847	4 37	46,130,000	224,905	6,288	2 80	56	298,387	15,228
1848	4 26	42,420,000	2,684,700	85,387	3 18	64	318,781	19,706
1849	4 78	35,560,000	data not at hand.					
1850	4 80	40,313,910	36,997,751	1,182,597	3 19½	64	853,468	43,756
1851	4 85	34,984,490	43,470,210	1,517,603	3 49	70	1,165,882	52,631

1852.....	4 80	28,593,180	87,544,558	1,283,881	3 42	70	842,531	43,365
1853.....	6 45	31,497,960	48,174,447	1,618,058	3 74	70	1,224,068	69,068
1854.....	6 57	21,472,999	47,714,140	2,095,093	4 39	90	1,865,893	102,812
1855.....	6 87	21,441,140	56,745,247	2,556,528	4 50	90	2,319,099	134,855
1856.....	6 59	15,347,880	55,294,265	2,528,014	4 57½	91	3,548,409	174,195
1857.....	6 18	14,028,140	47,947,698	2,305,768	4 88½	72	1,793,377	113,075
1858.....	5 94	21,210,420	41,230,019	1,972,243	4 78½	72	1,785,851	109,496
1859.....	5 70	7,281,210	63,782,098	2,617,770	4 18	72	1,908,714	119,101
1861.....	5 51	8,502,300	39,645,448	1,821,681	4 82	72	1,277,210	81,247

As a consequence of this increased demand, the prices naturally rose. During the last two years, however, they have been further excited by the depreciation of the paper currency. The following shows the highest and lowest prices, and the duties in each of several years:

	Prices.				
	Lowest.	Highest.	Average.	Duties.	
1848.....	$3 75	4 50	4 17@ 4 20	20	per cent.
1860.....	5 62	5 75	5 67@ 5 73	15	"
1862.....	6 62	8 30	7 04@ 7 11	$1 50	per 100 lbs.
1863.....	7 40	9 60	8 70@ 8 76	1 50	" " "
1864.....	12 25	12 75	12 28@12 62	1 50	" " "

GOLD AND SILVER.

The gold interest of the United States, which has now become one of the most important of the world, laid dormant three hundred years after the discovery of this country. Notwithstanding the cupidity of the pioneers, and the long distress of the settlers, the metals eluded their grasp until almost every other portion of the continent was settled. Suddenly, however, the glitter of gold attracted all to the hitherto neglected spot, for it was the most remote and inaccessible region that contained the desired metals in greatest abundance. Nearly all of the States of the Union contained more or less of this precious metal, but not in such quantities as to reward sufficiently the miner for his labor. Very early discoveries were made in North Carolina and Georgia; and in 1842, in Habersham County, there were also discovered various mining utensils and vestiges of huts, which had evidently been constructed by civilized men, but buried there for several centuries. It was supposed they belonged to De Soto's party, which passed through the region in the sixteenth century on their way from Florida to the Mississippi river. Gold was discovered in Virginia in 1746. It is mentioned in South Carolina in 1802. The mines in those States were gradually developed until branch mints were established in 1838. Up to 1820, but $43,689 of native gold had found the United States mint. From that period, up to 1862, Virginia, Alabama, Georgia and North Carolina, had contributed $17,862,233 to the precious metals of the world.

The formations of the United States in which gold mines are worked, follow the Appalachians, and are productive chiefly on the eastern ranges. The extreme northern gold mines on this range are in Canada East, upon the Chaudiere river and its tributories. Gold has also been found in Vermont.

The most important gold region of the United States, and perhaps of the world, is that of California. Its development has not only largely multiplied the precious gold productions of the globe, but it has been the means of rapidly opening to the use of civilized nations, large territory of productive lands (which were before an unprofitable wilderness), founding new States, stimulating industry, enlarging the commerce of the

world, and bringing into closer intercourse nations which were before the most widely separated.

The principal mineral wealth of the Western Continent is found in the mountain system which overlooks the Pacific ocean, and which in Mexico has the name of Cordilléras, a title given to it by HUMBOLDT. Not far south of the city of Mexico the mountains are divided into two branches, one lies to the east of that city, pursuing a course nearly north and parallel with the gulf of Mexico through Queretaro, New Leon, and Coahuila, into Texas, under the general name of the Sierra Madre. North of the Rio Del Norte, it is known as the Guadaloupe, and sometimes as the Organ mountains, which continue northward to the east of Santa Fe, as far as Pikes Peak. From this point the chain is prolonged northward to the Arctic Sea, under the name of the Rocky Mountains. Throughout the Republic of Mexico, there are silver mines in the Sierra Madre, which is the eastern range. The other branch, which is on the west, is the Sierra Nevada, often called the northern Andes, near to, and parallel with the Pacific Ocean and the Gulf of California. It extends through Michoacan Sinaloa, Sonora, and Arizona, into California. Like the Sierra Madre it is more like the edge of an elevated broken plateau fronting to the west than a range of mountains. Silver mines of great richness are found in it, from the city of Mexico to the Gila and farther north at Washoe in Nevada. From California, northward, this range goes by the name of the Cascade Mountains, passing into British Columbia and the Russian provinces. Gold has been found throughout the whole, from the Gila to Fraser's River. There are connected with the United States many subordinate ranges, one of which, the "coast range," commences at the extremity of the peninsula of Lower California, and stretches northward, almost in view of the ocean, through California and Oregon. In this are the silver mines of Lower California, and the richest quicksilver mine in the world.

Thus one great chain extends from the Straits of Magellan, northerly through South America, Central America, and North America, to the Arctic Sea, and throughout the whole extent of the Rocky Mountains is the same. When the Sierra Nevada and the Rocky Mountains were ascertained to be similar to those of the Southern Cordilleras, it was safe to predict the existence of precious metals. This is a sure deduction from geological rules. For three hundred years the Spaniards in Mexico, Peru, and other South American Colonies, had extracted silver and some gold from the veins of the metamorphic and silurian rocks. It was not, therefore, a mere speculation or prophecy, but a reliable conclusion of science, that these rocks extending northward through the United States would contain the same metals.

The discovery was not made, however, until the metals themselves were discovered.* Geological research has since made evident the fact,

* This statement is not correct. The existence of gold in California was frequently referred to by scientific travelers, previous to its discovery in 1848. Professor DANA, of Yale College, having had occasion to pass rapidly over that portion of the country, stated in, we believe, his "Geology of the Exploring Expedition," that the precious metals would undoubtedly be found there. We also published in the MERCHANTS' MAGAZINE for April, 1847, an article from the pen of L. W. SLOAT, who passed a short time in California in 1845 or 1846, in which he said that from all the in-

that the wealth which has so long been furnished to the world from the south section of the mountains, exists in still greater abundance in the northern section. It is, therefore, a matter of interest to glance at what has been done in the northern portion of that vast store-house of wealth.

Mr. CHARLES WHITTLESEY states that before the time of HUMBOLDT, no less than sixteen persons of scientific reputation had given their statements, of the quantity derived from America, prior to the present century. They differed so widely that HUMBOLDT made it a subject of inquiry during all his journeyings in the Spanish Colonies. After great labor, and with access to the records of mining in the New World, he published an account of the annual product from the discovery of America, in 1492, to the year 1803, a period of 311 years.

This exhibit evinced so much research, and so much personal examination of the mines both in Mexico and in South America, that it has been received as the best authority. Under the Spanish system, mineral veins belong to the crown, which derives an income by a royalty, or rent, upon the metal produced. In this way the official returns, if correctly rendered, would give an exact product of the mines. But the miners possessed great ingenuity, and no scruples in concealing rich pieces of ore or native gold and silver, about their persons. Nor are the Spanish officials considered to be wholly above the suspicion of bribery. It was, indeed, the interest of all parties in the Vice royalties of the new world far away from the surveillance of the crown, to reduce in the official reports the amount of gold and silver produced.

The following, however, is HUMBOLDT'S statement:

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formation he was enabled to obtain, during his stay in California, there was not the least doubt that gold, silver, quicksilver, copper, lead, sulphur, &c., were to be found in all that region; "and I am confident," he adds, "that when it becomes settled (as it soon will be) by Americans, that its mineral developments will greatly exceed, in richness and rarity, the most sanguine expectations."

In the voyage of Captain GEORGE SHELVOCK, who visited California in August, 1721, the following curious statement, concerning the appearance of gold in that country, is made:

"The eastern coast of that part of California which I had sight of, appears to be mountainous, barren and sandy; but, nevertheless, the soil about Puerto, Segure; (and very likely in most of the valleys,) is a rich black mould, which, as you turn it fresh up to the sun, appears as if mingled with gold dust, some of which we endeavored to wash and purify from the dirt; but though we were a little prejudiced against the thoughts that it could be possible that this metal should be so promiscously and universally mingled with common earth, yet we endeavored to cleanse and wash the earth from some of it, and the more we did the more it looked like gold. In order to be farther satisfied, I brought away some of it, which we lost in our confusions in China. But be that as it will, it is very probable that this country abounds in metals of all sorts, although the inhabitants had no utensils or ornaments of any metals whatever, which is no wonder, since they are so perfectly ignorant in all arts."

This curious statement may be found in "HARRIS' Collection of Voyages, vol. 1, p. 233, edit. 1744. ED. HUNT'S MERCHANTS' MAGAZINE.]

PRODUCT OF GOLD AND SILVER OF THE MINES OF THE NEW CONTINENT, FROM ITS DISCOVERY TO THE YEAR 1803, AND FOR SOME SUBSEQUENT YEARS.

Epoch.	No. Years.	Total in Dollars.	Annual Average.	Authorities.
1492 to 1500....	8	2,000,000	250,000	Humboldt.
1500 to the discovery of Potosi 1545.	45	135,000,000	3,000,000	"
1545 to 1600....	55	605,000,000	11,000,000	"
1600 to 1700....	100	1,600,000,000	16,000,000	"
1700 to 1750....	50	1,125,000,000	22,500,000	"
1750 to 1803....	53	1,771,900,000	32,300,000	"
Total and Av....	311	5,238,900,000	16,845,338	
1790 to 1830, Peru and Brazil wanting.	40	910,070,727	22,787,159	London Mining Journal.

The period of 40 years, from 1790 to 1830, covers 13 years of the latter part of HUMBOLDT's tables. The total amount, as stated by McCULLOCH, is $911,486,380, differing slightly from the report of the London *Mining Journal*. Both results are based upon the reports of the British Consuls in different parts of the world, who were directed to procure statistics in relation to precious metals. Of this sum $708,655,535 is the product of Mexico in silver, and $32,182,265 in gold. In the table of the consuls, the United States did not figure largely. In 1830 only $109,000 in gold is credited to us.

A mint was established in Mexico in the year 1835, the total coinage of which is given by Dr. FISHER to the year 1850, a period of three hundred and fifteen years. It amounts to the sum of $2,667,828,851. The great mine at Potosi, formerly in Peru, but now in Buenos Ayres, was discovered in 1545. In 1847, Dr. URE, upon the authority of HUMBOLDT, estimates the entire yield of the veins around Potosi at $1,500,000,000.

We thus see what has been accomplished in the southern portion of this range, and the working of the mines, during all this time, was done in the rudest manner, and with means wholly inadequate to extract the entire value of the gold from the ores. Since the discovery of the mines of California, all the resources of modern science have been taxed, to find out the best way of working, cheaply and thoroughly, the ores that are presented. Thus, many and great inventions have been made from time to time.

The working of these quartz veins has attracted attention, and the greatest inventions had been made in modes of freeing the metals from the earthy materials with which they are connected. Each of these improvements, of which the description would fill volumes, has greatly increased the profits of mining, and, hence greater numbers have been attracted to the region.

The Governor of Colorado in his last message, thus alludes to this subject:—"The improvement in the modes of saving gold from the ores of our mines, that have been made during the past year, have given a new impulse to our mining operations. By these new processes, ores that paid but $25 per ton, by the old process, are readily made to yield $100 per ton, while many varieties produce much more largely, and this without greatly increasing the expenses. It may fairly be estimated, therefore, that most of our mines have been quadrupled in their value during the past year, by the improvements made in the processes of saving gold."

All the new Western Territories abound in the precious metals, held in the quartz rock. The gold or silver bearing quartz runs in veins through an entirely different rock, which forms walls on both sides as the vein is worked. It is sometimes the case that the quartz is found loose with a wall on one side, indicating that, by some convulsion of nature, there has been a "slide." This is not, therefore, a true vein which requires to be sought out. When a vein is discovered or suspected, a land-mark is set up, and the discoverer makes a claim to a certain number of "feet," on which he is entitled to follow the vein in all its "turns, dips and angles," and has an allowance of 50 feet on each side for the working. He is required to work the vein, however, to make good his claim. This is done by digging out the quartz, subjecting it to stamping mills, by which it is crushed to an impalbable powder. This is then washed in water. Much of the gold will, however, exist in particles, so fine, as not to be detected by the eye. These are secured by means of quicksilver, which is a powerful affinity for the precious metals. It attracts and holds all the particles in a pasty mass which is exposed to heat, when the mercury disappears in vapor, leaving the gold in mass. If the yield of gold by this process is encouraging, means are taken to work the vein regularly by sinking a shaft into it, and raising the ore to the surface to be pulverized and amalgamated with the mercury. As a rule, the deeper the vein is pushed the more advantageously it is worked, because the quartz becomes softer, and the yield greater for the same amount of labor. The value of the claims is rated at a price per sqare foot of the vein; some of these are of immense value, and give the largest dividends on the capital employed.

In this connection the following statement of the production of the mines of the United States, made up from the mint returns, is of interest:

Washington Territory	$31,451 58
Idaho "	1,816 97
Dakotah "	7,958 88
Nevada "	65,199 68
New Mexico	63,023 53
Arisona	25,761 12
Utah	78,559 14
Oregon	3,980,285 94
Colorado	7,646,386 54
California	541,647,400 78
Total	$553,547,344 16
Eastern States	21,495,537 71
Other sources	84,426 97
Total	$575,128,808 94

These figures indicate only the amount of gold received at the mint; but very large quantities have gone out of the country and into the arts through private assay offices. The whole production has, therefore, not been less than $600,000,000, and, doubtless, exceeds the whole production of the South American mines, including that of Potosi, during the

first 120 years of the discovery. The large production, with imperfect means in Mexico and South America, indicate the inexhaustable production of the formations. The most experienced explorers deem the northern range of the same formation quite inexhaustable, and the fervor of mining enterprises seems to be at this moment greater than ever.

It is hardly five years since the gold-bearing lodes of Colorado were first discovered and prospected, and yet, in the face of many discouraging circumstances, and with a population not exceeding forty thousand men, women and children, it has already added over twenty millions of dollars to the bullion of the world.

It is only recently that the attention of capitalists has been attracted towards that region. Hitherto the mining enterprises there have been carried on by men of limited means, and with very imperfect mining machinery. The character of the mines has differed materially from those of any gold country yet discovered, taxing the ingenuity and skill of miners to extract and save the gold, and often puzzling and perplexing the experienced and scientific. But patience and perseverance have enabled the quartz-millers of Colorado to overcome these difficulties, and they are now saving fifty per cent more gold than could formerly be obtained from the same quality of ores. Capital, too, has been freely invested in the mines of Colorado, and vast sums are this season expended in the erection of improved and more powerful machinery, and in a more vigorous and extensive development of the quartz veins.

A large amount of machinery is now on its way to that region, to aid in swelling the product of the ensuing year.

The silver mines are also receiving great attention. The crest of the elevated region of Sinaloa, and Sonora, fronting the gulf of California, is rich in silver mines for a distance of 500 miles. It extends into Arizona, and up to the Gila river. In the Mexican State of Sonora, on the south, there are 27 mining establishments. With an enterprising people, and a stable government, there would be ten times that number within as many years. Mineral veins exist across the entire mountain country, to the Sierra Mimbres and the Sierra Madre; on the waters of the Rio Del Norte. Although gold is found it is but little worked. At present the most promising mining center of Arizona, is at the head waters of the Santa Cruz and the San Pedro rivers. The government has recently caused a road to be surveyed from Fort Buchanan, through the Mexican territory, to the port of Lobos. This is by far the best outlet for the mining region around Tubac. The route is descending all the way, following the valley of the Altar and St. Ignacio rivers. It passes through a comparatively smooth country, with an abundance of water and grass, and some settlements. The distance is less than 200 miles.

Washoe is the center of a remarkable mineral region, at the eastern foothills of the Sierra Nevada, on the waters of Carson river, in latitude about 39° north. Here are powerful veins, ledges, and masses of quartz, that carry lead and silver. The silver is frequently seen in its native form in thread-like coils, but is generally diffused throughout "galena," or sulphuret of lead. The ledges, or veins, are not destitute of gold. This region has produced, according to the San Francisco *Mercantile Gazette and Price-Current*, $6,000,000 during the year 1862, principally in silver. Mining enterprises are spreading eastward, along the valley of the Humboldt River to Reese River, 150 miles from Washoe. This is as far to the

north as silver has been wrought, but if we can rely upon geological indications, this metal should be found in Oregon and Idaho.

The circumstances of war and paper currency seem to have given an unusual impulse to the prosecution of all mines. The war, by checking the usual direction of industry, has turned it into new quarters, and mines have the more attraction, because, while the working was not exposed to the costly influence of an unstable medium, gold being retained as the currency, products are in a shape that defies the depreciative action of inconvertible paper.

THE PROPAGATION OF DISEASE BY SHIPPING.

BY A. N. BELL, M.D., LATE P. A. SURGEON U. S. NAVY, ETC.

In the early history of quarantine, the Southern States of Europe professed, in most cases, to trace the outbreak of plague to the arrival of some ship, hence their commercial cities were almost wholly closed against navigators; and the goods of any one importing the plague were confiscated. These restrictions were based upon the contagiousness of plague; and, as it was found that other malignant epidemic diseases frequently eminated from vessels arriving from almost every clime, in default of ship-ventilation and cleanliness, these, too, were deemed contagious, and subjected to the same restrictions. Hence, plague soon became a common synonym for all diseases propagated by infected vessels.

Du Tertre, in his history of the French Antilles, states, that in 1648, the plague, unknown in these islands since the time they were inhabited by the French, was introduced therein by some vessels. Rocherfort, too, in his history of the same islands, states that the plague was formerly unknown there as well as in China, and some other eastern countries, until it was carried thither by shipping. Traphan, in his "State of Health of Jamaica," writes of an epidemic that prevailed there in 1671, which was connected with the return of the fleet from the signal Panama expedition. And, according to Moreau de St. Mery, in his history of St. Domingo, the same disease was transported by shipping to St. Christopher's and to Port de Paix. Thence it was traced by Ferreyra de Rosa and Hughes, to Pernambuco, Martinique, and to the Barbadoes.

Hutchinson, in his history of the Massachusetts Bay, states that a fleet which had been fitted out for the purpose of being employed in the winter for the reduction of Martinico, being diverted from its course and returning to Boston from the West Indies, June 17th, 1692, had burried 1,300 out of 2,100 sailors, and 1,800 out of 2,400 soldiers. The distemper spread to Boston, and was more malignant than even the small-pox, or any other epidemic that had been in the country before. In 1699 the same disease, though by this time it began to be more particularly known as yellow fever, was, according to Watson's Annals, imported from Bardoes into Philadelphia. During the same year William Penn, after an absence of fifteen years, returned; and, by his advice, the Colonial Assembly met at New Castle in 1700, and passed an "act to prevent sickly vessels coming into this government." This was the first legislation in America on quarantine. Yet the recurrence of winter having destroyed the epidemic, occasion, it appears, did not require the enforcement

of the law until 1728, in the case of two vessels from Bristol, England, infected with malignant fever. From this time onwards, the various ports in the other colonies gradually adopted the same system with various degrees of severity; and merchants and captains were forced into their observance under heavy penalties. Passengers arriving in infected vessels were cruelly kept on board to sicken and die of diseases from which they would have escaped, without danger to any one, had they been permitted to leave their infected prisons.

In 1738, this evil had become so great at Philadelphia, in consequence of the large number of immigrants in infected vessels, that a quarantine establishment, or *pest-house*, was instituted. This example, too, which was not without precedent in Europe, was speedily followed by other American ports. Acting on the erroneous doctrine of the contagiousness of epidemic diseases, it soon became common to vent the most rigid restrictions against passengers and crews, and to proportionately relax on vessels and goods. Personal contagion henceforth became both popular and profitable to the merchant, because no matter how dangerous soever the ship, or goods imbued with the poison from her, if some unfortunate person could only be found to have had communication, upon him the whole power of the law was visited; and upon his shoulders was thrown the responsibility of carrying the disease. Meanwhile, the vessel was pressed to pratique and unladen—again speedily reladen with fresh material for fomites, and sped off to some new place to disseminate the seeds of death. This is no fancy picture, but a sad reality. It would indeed be easier to trace the propagation of epidemic diseases by the progress of commerce, for the past century, than for the last which preceded. It will suffice, however, for the object of this paper to point out some of the most recent illustrations, such as can be verified by living observers.

It is a remarkable fact, that it has only been since the discovery of gold in California, and the consequent rush of shipping from the ports of the Atlantic, that yellow fever epidemics have prevailed on the Pacific shore. It is well known that in the years 1851–2, the harbor of Rio Janeiro was crowded with shipping, with flags at half-mast, as the signal of yellow fever on board. How many of these vessels were destined for the Pacific we have no means of ascertaining. A few, however, have been clearly traced. About the middle of the year 1851, the steamer *New World*, on her way to California, touched at Callao, after having lost almost her whole crew by yellow fever in Rio. The steamer *Quito*, from England, by way of Rio, where she lost several of her crew by yellow fever, arrived at Callao in April, 1852.

The first German emigrant ships arrived in Callao in December, 1851. During the early part of the year 1852, a mild form of fever broke out in Lima, and along the coast of Peru, which was vulgarly designated "pelusa," just as in 1849, the precursory form of fever, under the name of "polka," prevailed at Rio. From this nuclus the disease speedily developed itself into a perfect type of yellow fever, and has prevailed extensively and almost annually ever since.

In the fall of 1854, the steamer *Ben Franklin* sailed from New York on a filibustering enterprise to Central America. Failing in this she went to St. Thomas, where she remained several months during the prevalence of a severe epidemic of yellow fever on shore; thence, with many passengers on board, to Norfolk, Va., where she arrived June 6th, 1855; first,

however, having transferred her passengers to the Baltimore steamboat in the bay. The vessel came to anchor at the quarantine, about a mile from the city, and was reported by her captain to be in a perfectly healthy state. On the 18th of the month, the health officer, having for the second time visited the vessel, and finding no appearance of disease on board, admitted her to pratique. She went up to Portsmouth the next morning, having been anchored at quarantine thirteen days.

On the 5th day of July, a man who had been working on the boiler of the *Ben Franklin* on the 3d, was taken sick, and died on the fourth day afterwards, with unmistakable symptoms of yellow fever. The next day, on the 8th of July, the vessel was sent back to quarantine. Another case, who, after being engaged on board the vessel one week, was taken sick on the 30th of June. His case ran a less rapid course, but finally, died with black vomit on the 17th of July. After the ship was sent back to quarantine several other cases occurred on board, and were sent to the hospital. The first cases on shore, among persons who had no communication with the vessel, were in the neighborhood of the wharf where she commenced breaking out and repairing. It was subsequently ascertained that the *Ben Franklin* had a number of cases on board, and several deaths at St. Thomas; and that there were three cases, two of them fatal, on the voyage to Norfolk. Among the passengers who were transferred to the Baltimore boat in the bay, no case occurred. Fortunately for them, by the false representations of the captain of the *Ben Franklin*, they escaped the strictures of quarantine.

In October 1857, the U. S. steamer *Susquehanna*, was ordered from Spezzia, Sardinia, to San Juan de Nicaragua, where she arrived early in December; having touched, by the way, at Genoa, Madeira and Key West. She remained at San Juan until the first of the following April, having had during the whole period of time there a constantly enlarging sick list of a precursory fever. At first, intermittent, then remittent, but all recovering, until the 20th of March, a case became malignant and died.

The ship put to sea on the 1st of April, and on the 5th arrived off Port Royal, Jamaica, with one hundred and six officers and men down with yellow fever. Most of these were sent to the hospital, and on the third day afterwards the ship left Port Royal for New York. The sick list rapidly increased during the passage, and upon arrival at New York quarantine, on the 15th of April, there were fifty patients on the sick list.

The remarkable feature in this instance is, that at San Juan, where the yellow fever first appeared on board the Susquehanna, there was no yellow fever, and the disease has never been known there. Yet all the climatic conditions calculated to produce it exist in great abundance. The circumstance, therefore, cannot be regarded otherwise than as illustrating the peculiar liability of a ship, even above the most favorable conditions of shore, for the origination of infection. It is also a remarkable illustration of the falacy of attaching the danger of communication to personal contagion, instead of to the infected material of commerce. It was fortunate for the place that the Susquehanna left so soon. The same thing has been exemplified on numerous other occasions. The propagation of yellow fever to Bay Ridge, from the quarantined shipping of New York in 1856, is an equally prominent example. The restrictions imposed upon persons that year, and previously at the New York quarantine, had no more influence in restraining yellow fever than would be

exercised at the present time over the prevalence of cholera infantum by shutting up a dozen families from the Five Points, because their children are dying with it. Yet the absurdity of the practice in the one case, and of the mere suggestion in the other, is only equally palpable with the neglect of the true source of danger in both alike.

The bubbling of villainous smells from the liquid filth of some of our streets serves to warn the passer by of his near approach to the source of the river of death. And so, too, the dark, damp hold of a filthy vessel from a warm climate, with a stagnant pool of bilge-water at her keelson, leaves no less doubt of her dangerous condition. Yet both alike are unheeded.

That the chief danger of epidemic diseases consists in personal contagion no well-informed person now believes. Hence, to subject *a person* to quarantine is no less an outrage gainst common sense than personal freedom. Yet epidemic diseases are propagated by commerce now with no less certainty than they were before quarantine was ever thought of; and the arrival of a fleet, or even a single vessel, "with a direful plague aboard," at the wharves of New York now, would be fraught with no less danger to the inhabitants than was realized by the arrival of Sir Francis Wheeler's squadron at Boston in June, 1692. With perpetual local conditions, such as the municipal authorities of New York and Brooklyn appear to habitually enjoy during the summer months, originate the diseases which carry off more than one-fourth of the whole human race! Under such auspices are produced all the fatal epidemics; and that they do not prevail so constantly here as they do in Vera Cruz, Bengal, or Cairo, is in no respect due to a more intelligent administration of sanitary measures, but wholly depends upon our natural advantages of locality and climate.

Some of the most odious restrictions of quarantine have of late years been removed. But the misfortune is that wholesome measures have not been instituted in their place. By successive cruising in warm climates vessels are continually liable to contract, generate, and retain infection. And, unless effectually *destroyed* when it has once become manifest, it is perpetually liable to new outbreaks, and to the danger of being communicated to the material of commerce or to new places favorable for its reception. Mere detention at quarantine, exposure to a temperate atmosphere, deodorants and fumigants, are, it is well known, worse than useless measures, for they only serve to give confidence in a false security. Under the new quarantine law at New York, there is provision for the most efficacious means of disinfection. And if the Health Officer of this port is properly seconded in his efforts by the merchants *in the application of extreme degrees of heat and cold* to infected vessels and merchandise, we may indulge a reasonable hope of a true reform. One that will not only give the merchant his ship and goods in the shortest possible time, but which will also protect the community from the danger of infection from shipping.

Brooklyn, L. I., 27th May, 1864.

COMMERCIAL LAW. No. 13.

ARBITRATION.

THE SUBMISSION AND AWARD.

The law favors arbitration in many respects, as a peaceable and inexpensive mode of settling difficulties. Parties may agree to refer a question by an oral agreement, or by a written agreement. The form is not essential. But it is always best to reduce the agreement to writing, and to express it carefully. But parties may, in many of our States, go before a magistrate and agree to refer in the manner pointed out by the statute. In all of them a case may be taken out of court and submitted to referees under an order of court.

The first essential of an award, without which it has no force whatever, is, that it be conformable to the terms of the submission. The authority given to the arbitrators should not be exceeded, and the precise question submitted to them, and neither more nor less, should be answered. Neither can the award affect strangers; and if one part of it is that a stranger shall do some act, it is not only of no force as to the stranger, but of no force as to the parties, if this unauthorized part of the award cannot be taken away without affecting the rest of the award.

Nor can it require that one of the parties should make a payment, or do any similar act, to a stranger. But if the stranger is mentioned in an award only as agent of one of the parties, which he actually is, or as trustee, or as in any way paying for, or receiving for, one of the parties, this does not invalidate the award. And in favor of awards, it has been said that this will be supposed, where the contrary is not indicated.

If the award embrace matters not included in the submission, it is fatal. If, however, the portion of the award which exceeds the submission can be separated from the rest without affecting the merits of the award, it may be rejected, and the rest will stand; otherwise the whole is void. If the submission specify the particulars to which it refers, or if, after general words, it make specific exceptions, its words must be strictly followed.

If these words are very general, they will be construed liberally, but yet without extending them beyond their fair meaning. On the other hand, all questions submitted must be decided, unless the submission provides otherwise; and either party may object to an award, that it omits the decision of some question submitted; but the objection is invalid if it be shown that the party objecting himself withheld that question from the arbitrators. Nor is it necessary that the award embrace all the topics which might be considered within the terms of a general submission. It is enough if it pass upon those questions brought before the arbitrators, and they are so far distinct and independent that the omission of others leaves no uncertainty in the award. If the award does not embrace all of the matters within the submission which were brought to the notice of the arbitrators, it is altogether void.

Thus, in a case in Massachusetts, by an agreement of submission to arbitration, the arbitrators were to determine between A and B, first, whether A had finished a certain dwelling-house according to his contract with B,

and what, if anything, remained to be done upon the house by A, and how much, if anything, remained to be paid by B to A, and what damage, if any, should be deducted and allowed to B for the failure of A to perform the agreement to build the house; secondly, to determine and decide what amount, if any, remained to be advanced by B to A, and what remained to be done, if anything, by A, upon a certain other dwelling-house, to finish it comfortably to another contract between him and B; and the parties agreed to do and perform to each other whatever might be ordered by the arbitrators to be done by them respectively. The arbitrators awarded that B should pay a certain sum to A in fulfilment of the contract for building the first-mentioned house, and that another certain sum remained to be advanced by B to A, in fulfilment of the contract for building the other house. And it was held that the arbitrators had not decided all the matters submitted to them, and their award was therefore bad.

In the next place, an award must be *certain;* that is, it must be so expressed that no reasonable doubt can be entertained as to the meaning of the arbitrators, the effect of the award, or the rights and duties of the parties under it. For the very purpose of the submission, and the end for which the law favors arbitration, is the final settlement of all questions and disputes; and this is inconsistent with uncertainty.

This certainty is not required to an unreasonable or impracticable degree; it should be a certainty according to common sense, and the common meaning of words; and the nature of the subject should be considered; and if that which is left uncertain by the words of the award can be made perfectly certain by a reference to a standard which the award presents, this is sufficient. Thus an award to pay the "taxable cost" is sufficiently certain. So in an award to pay a certain sum in ninety days, and interest.

An award may be in the alternative. If it be that one party shall pay the other a certain sum, but no time of payment be fixed, the award is not uncertain, because the sum awarded becomes payable immediately, or within a reasonable time.

In the next place, the award must be *possible;* for an award requiring that to be done which cannot be done, is senseless and useless. But the impossibility which vitiates an award is one which belongs to the nature of the thing, and not to the accidental disability of the party at the time. Thus, if he be ordered to pay money on a day that is past, this is void; so if he be required to give up a deed which he neither has nor may expect to have; but if he be directed to pay money, the award is good, although he has no money, for it creates a valid debt against him. Nor can a party avoid an award on the ground of an impossibility created by himself, after the award, or indeed beforehand, if he created it for the purpose of evading an expected award.

This impossibility may be actual, or it may be that created by law; for an award which requires that a party should do what the law forbids him to do, is void, either in the whole, or for so much as is thus against the law, if that illegal part can be severed from the rest.

An award must be *reasonable;* if it be of things in themselves of no value or advantage to the parties, or out of all proportion to the justice and requirements of the case, or if it undertake to determine for the parties what they should determine for themselves, as that the parties should

intermarry, it is void. It is not unreasonable, however, merely because it lays a burden on one party only, and requires nothing of the other.

Lastly, the award must be *final* and *conclusive*. This necessity springs also from the very purpose for which the law favors arbitration, namely, the settlement and closing of disputes. But here too, as on other points, the law is now more rational and less technical than it was formerly. Thus, it was once a rule, that an award that a party should withdraw a certain action from court, was not good, because not final, as the plaintiff might immediately renew his action; but this would not be held now. It is not a valid objection to an award, that it is upon a condition, if the condition be clear and certain, consistent with the rest of the award, in itself reasonable, and such as to cause no doubt whether it were performed or not, or what were the rights or obligations dependent upon it.

Any delegation or reservation of their authority by the arbitrators, which would have the effect of leaving anything to the future judgment or power of the arbitrators, or of others, would vitiate the award. But where arbitrators are unable to decide accurately upon some particular point, requiring some technical knowledge, they may refer the settlement of the details to some third person having such knowledge, the arbitrators, however, accurately determining the principles by which such person is to be governed.

An award may be open to any or all of these objections in part, without being necessarily void in the whole. So much of it as is thus faulty is void; but if this can be severed distinctly from the residue, leaving a substantial, definite, and unobjectionable award behind, this may be done, and the award then will take effect. It is therefore void in the whole because bad in part, only where this part cannot be severed from the residue, or where, if it be severed and amended, leaving the residue in force, one of the parties will be held to an obligation imposed upon him, but deprived of the advantage or recompense which it was intended that he should have.

Generally, in the construction of awards, they are favored and enforced, wherever this can properly be done. If the intention of the arbitrators can be ascertained from the award with reasonable certainty, and this intention is open to no objection, a very liberal construction will be allowed as to form, or rather a very liberal indulgence as to matters of form and expression.

If it be necessary to make a presumption on the one side or the other, to give full force and significance to an award, the court will incline to make that presumption which gives effect to the award, rather than one which avoids it. Thus, it has been laid down, almost as a rule, and certainly as a maxim, that, where the words of an award extend beyond those of the submission, it shall be understood that the surplus words have no meaning, and that there is nothing between the parties more than was submitted: and if the words of the award be less comprehensive than those of the submission, it shall be understood that what is omitted was not controverted; but in either case, the contrary may be shown by evidence, and the award would then be invalid.

If the submission be in the most general terms, and the award equally so, covering "all demands and questions" between the parties, yet either party may show that a particular demand either did not exist, or was not known to exist, when the submission was entered into, or that it was not

brought before the notice of the arbitrators, or considered by them; and then the award will not be permitted to affect this demand.

If by an award money is to be paid in satisfaction of a debt, this implies an award of a release on the other side, and makes this release a condition to the payment.

There is no especial form of an award necessary in this country. If the submission requires that it should be sealed, it must be so. And if the submission was made under a statute, or under a rule of court, the requirements of the statute or the rule should be followed. But even here mere formal inaccuracies would seldom be permitted to vitiate the reward.

If the submission contains other directions or conditions, as that it should be delivered to the parties in writing, or to each of the parties, such directions must be substantially followed. Thus, in the latter case, it has been held that it is not enough that a copy be delivered to one of the parties on each side, but each individual party must have one.

If an award be relied on in defence, the execution of the submission by each party, or the agreement and promise by each, if there was no submission in writing, must of course be proved, because the promise of the one party is the consideration for the promise of the others.

It may happen, where an award is offered in defence, or as the ground of an action, that it is open to no objection whatever for anything which it contains or which it omits; and yet it may be set aside for impropriety or irregularity in the conduct of the arbitrators, or in the proceedings before them. Awards are thus set aside if "procured by corruption or undue means." This rule rests, indeed, on the common principle, that fraud vitiates and avoids every transaction.

So, too, it may well be set aside if it be apparent on its face that the arbitrator has made a material mistake of fact or of law. It must however, be a strong case in which the court would receive evidence of a mistake, either in fact or in law, which did not appear in the award, and was not supposed to spring from or indicate corruption, and was not made out to the arbitrator's satisfaction. It has been permitted to the arbitrators to state a mistake of fact, which they afterwards discovered; but it would seem that the court cannot then rectify the award, or do anything but set it aside if the error be material, or, in some cases, refer the case back again to the arbitrators.

If the submission authorize the arbitrarors to refer questions of law to the court, this may be done; otherwise such reference would, in general, either be itself declared void, or would have the effect of avoiding the award, because it prevented it from being certain, or final and conclusive. The arbitrators, by a general submission, are required to determine the law; and only a decided and important mistake could be shown, and have the effect of defeating the award; it has been said, that only a mistake amounting to a perverse misconstruction of the law would have this effect; certainly a very great power is given to arbitrators in this respect, and it has even been expressly declared that they have not only all the powers of a court of equity as well as of law, but may do what no court could do in giving relief or doing justice.

Other grounds of objection to an award are irregularity of proceedings. Thus, a want of notice to the parties furnishes a ground of objection to the award. And for this purpose it is not necessary that the submission

provide for giving such notice, because a right to notice springs from the agreement to submit. But this rule is not of universal application, for there may be cases where all the facts have been agreed upon and made known to the arbitrators, and where the case does not depend upon the evidence, and no hearing is desired, and therefore notice would be unnecessary.

Another instance of irregularity is the omission to examine witnesses; or an examination of them when the parties were not present and their absence was for good cause; or a concealment by either of the parties of material circumstances; for this would be fraud. So if the arbitrators, in case of disagreement, were authorized to choose an umpire, but drew lots which of them should choose him. But it has been held enough that each arbitrator named an umpire, and lots were drawn to decide which of these two should be taken, because it might be considered that both of these men were agreed upon. And if an umpire be appointed by lot, or otherwise irregularly, if the parties agree to the appointment, and confirm it expressly, or impliedly by attending before him, with a full knowledge of the manner of the appointment, this, it seems, covers the irregularity.

THE REVOCATION OF A SUBMISSION TO ARBITRATORS.

It is an ancient and well-established rule, that either party may revoke his submission at any time before the award is made; and by this revocation render the submission wholly ineffectual, and of course take from the arbitrators all power of making a bind award. And, generally, this power exists until the award is made.

In this country, our courts have always excepted from this rule submissions made by order or rule of court; for a kind of jurisdiction is held to attach to the arbitrators, and the submission is quite irrevocable, except for such causes as make it necessarily inoperative. There is a strong reason why a submission by order of court, or before a magistrate, should be preferred where it can be had, in the fact above stated, that the law permits any party who finds an award is going against him to revoke his submission or reference when he will, before the award is made;—provided the award was only by agreement out of court, or not before a magistrate. In some of our States, the statutes authorizing and regulating arbitration provide for the revocation of the submission.

It should be stated, however, that, as an agreement to submit is a valid contract, the promise of each party being the consideration for the promise of the other, a revocation of the agreement or of the submission is a breach of the contract, and the other party has his damages. And damages would generally include all the expenses the plaintiff had incurred about the submission, and all that he had lost by the revocation, in any way.

If either party exercise this power of revocation, he must give notice in some way, directly or indirectly, to the other party; and until such notice, the revocation is inoperative.

The revocation may be implied as well as express; and would be implied by any act which made it impossible for the arbitrators to proceed. So it was held that bringing a suit for the claim submitted, before an award was "conclusively made," operated a revocation of the submission. So the marriage of a woman works a revocation of her submission; and it is

held that this is a breach of an agreement to submit, on which an action may be sustained against her and her husband. And the lunacy of a party revokes his submission. And the utter destruction of the subject-matter of the arbitration would be equivalent to a revocation.

We should say that the bankruptcy or insolvency of either or both parties did not necessarily operate as a revocation, unless the terms of the agreement to refer, or the provisions of the insolvent law, require it. But the assignees acquire whatever power of revocation the bankrupt or insolvent possessed, and, generally, at least, no further power.

The death of either party before the award is made vacates the submission, if made out of court, unless that provides in terms for the continuance and procedure of the arbitration, if such an event occur. But it seems to be held in this country that a submission under a rule of court is not revoked or annulled even by the death of a party. So the death or refusal or inability of an arbitrator to act would annul a submission out of court, unless provided for in the agreement; but not one under a rule of court, unless for especial reasons, satisfactory to the court, which would have the appointment of a substitute, if it saw fit to continue the reference.

It may be well to add, that, after an award is fully made, neither of the parties, without the consent of the other, nor either nor all of the arbitrators without the consent of all the parties, have any further control over it.

If the submission provides for any method of delivering the award, this should be followed. If not, it is common for the referees to deliver the award to the counsel for the prevailing party, on payment by him of the fees of arbitration. Then the prevailing party looks to the losing party, for the whole, or a part, or none of the costs, as the award may determine.

The award should be sealed; and addressed to all the parties; and it should not be opened except in presence of all the parties, or of their attorneys, or with the consent of those absent indorsed on the award. If the submission is under a rule of court, it should be returned to court by the arbitrators, or the counsel receiving it, sealed, and opened only in court, or before the clerk, or with the written consent of parties.

FINANCES OF THE STATES.

(Continued from page 347.)

VERMONT.

The receipts and disbursements of the State of Vermont for the year ending September 1st, 1863, were as follows:

Receipts.

Balance in Treasury Sept 1, 1862		$224,250 41
Receipts from taxes	$727,875 12	
Taxes on foreign bank stock—fees paid by Judges of probate—payments by County Clerks—forfeited bonds, &c...	46,452 18	
Total receipts from ordinary sources		774,327 30
From State bonds issued during the year	$354,000 00	
Re-payments, by U. S. of war expenses...	332,303 11	
Interest and premium on bonds	49,472 24	
Temporary loan act of 1861	30,000 00	
" " " 1862	351,000 00	
The United States on account of allotments of pay to soldier's families	737,098 00	
Total receipts on account of the war for the year		1,853,874 28
Aggregate receipts and rescources for the year		$2,852,451 99

Disbursements.

For General Assembly of 1862	$37,008 60	
Salaries	31,037 50	
Courts' Auditors orders	97,532 26	
Board of Education and for sundry miscellaneous accounts	4,285 70	
Special appropriations by the Legeslature	12,302 28	
Total disbursements for ordinary civil purposes		182,166 34
Bonds of 1857, paid		99,500 00
Military warrants drawn by the Governor.	$148,956 25	
Extra pay to Vermont soldiers *after* muster in U. S. service	983,332 22	
Direct tax to U. S	179,407 80	
Loan of 1861, paid	88,000 00	
" 1862, "	339,000 00	
Payment of balance to 2d Regt	337 80	
Total of sundry war accounts		1,739,024 07
Soldiers' allotments distributed		619,658 62

Interest on bonds and loans	89,669 21
Aggregate disbursements	$2,730,018 24
Leaving the balance in the State Treasury, September 1st, 1863	122,433 75

State Debt September 1, 1863.

The total funded debt of Vermont, Sept., 1863, was $1,130,723 62. This debt is made up as follows:

Bonds due June 1, 1871	$900,000 00	
" " " 1876	205,000 00	
Due to banks and towns	25,723 62	
Total funded debt		$1,130,723 62
The current liabilities of Vermont, September 1, 1863, were		$453,478
To meet which the State had resources amounting to		176,804
Excess of current liabilities		$276,674
The estimated ordinary and extraordinary expenses of Vermont, (including the above excess of $276,674,) for the current year amounted to		$1,336,673
It was prepared to meet these expenses as follows—By bonds	$545,000	
By taxes	791,673	
Total		1,336,673

According to the last census, the value of the real estate of Vermont is $92,205,049; and the personal property, $122,474,170; making total valuation, $214,679,219.

WEST VIRGINIA.

The Treasurer of the State of West Virginia, Hon. CAMPBELL TARR, in his report, under date of Jan. 20, 1864, gives the receipts and disbursements of the State, from the date of its organization, June 20th, 1863, to Dec. 31, 1863, as follows:

Receipts.

Treasurer Commonwealth of Virginia	$92,866 17	
" " "	47,734 03	
" " "	9,399 80	
		$150,000 00
" " "		25,000 00
Taxes 1861	$6,413 15	
" 1862	13,737 14	
" 1863	84,494 11	
		104,645 40
License tax 1862	$1,696 04	
" " 1863	12,138 28	
		13,834 42

Taxes on savings institutions, bank dividends, and dividends on the State's interest in the N. W. Bank of Virginia		9,668 98
Tax on deeds, wills, State seals, &c		2,053 73
Miscellaneous		1,722 97
		$306,925 40

Disbursements.

For Legislature, up to Oct. 1, 1863		$18,790 77
" Constitutional Convention		1,830 54
" Salaries officers of civil government		2,375 77
" Janitor executive offices		163 00
" Expenses clerk "		322 21
" Lunatics		3,091 24
" Procuring arms, &c		11,963 23
" Civil contingent fund		1,805 43
" Commissioners of the revenue		5,036 63
" Judiciary		7,998 20
" Pay Quarter Master General		274 06
" " Adjutant General		633 33
" " Adjutant General's Clerk		126 11
" Contingent expenses Adjutant General's office		118 50
" Militia, State, Nov. 19, 1863		1,630 57
" Special appropriations	$724 47	
" " " Dec 7, 1863	951 75	
" D. Lamb	1,000 00	
		2,676 22
" Contingent expenses, Auditor's office	$215 45	
" " " Treasurer's "	71 00	
" " " Sec. State's "	182 00	
		468 45
" Courts of State		1,068 09
" Quarter Master General's office		169 85
" Blind		30 90
" Capitation tax to the counties, refunded		3,733 62
" Taxes refunded that have been overpaid		774 61
" Pay Treasurer's Clerk		105 40
" " Auditor's "		161 10
" Criminal Charges		5,432 86
" Pay Legislature up to Jan. 1, 1864		26,535 28
		$97,315 97

Receipts	$306,925 40
Disbursements	97,315 97
Balance remaining in the Treasury	$209,609 43

Debt.

The Constitution of this new State prohibits the creation of any debt, except to meet " casual deficits in the revenue, to redeem a previous liability of the State, to suppress insurrection, repel invasion, or defend the

State in time of war." Thus far no debt has been created. An equitable proportion of the public debt of the Commonwealth of Virginia, prior to the first of January, 1861, is to be assumed, and the liquidation of the same is provided for by the creation of a sinking fund. The debt of Virginia Oct. 1, 1860, was as follows:

Amount of 5 and 6 per cent registered debt.....	$18,758,641 63
Coupon bonds payable in New York.....	12,624,500 00
Sterling bonds (5 per cent), payable in London.....	1,865,000 00
Total debt Oct. 1, 1860.....	$33,248,141 63

The State of West Virginia claims that it should assume only that portion of this debt which was incurred for expenditures made within the limits of the State of West Virginia, amounting, probably, to about one fifth or one-sixth of the whole.

KANSAS.

The following table shows the receipts and disbursements of the State of Kansas for the year 1863:

Receipts.

Amount of taxes received on assessment of 1861.....	$10,010 35
" " " " 1862.....	88,333 94
Miscellaneous receipts.....	458 64
On sale of bonds ($81,000).....	77,150 00
" $4,000 7 per cent bonds.....	3,800 00
	$179,952 93

Disbursements.

For schools.....	$11,036 20
State warrants redeemed.....	106,848 00
War bonds redeemed.....	30,500 00
Interest on war bonds.....	5,071 45
War warrants redeemed.....	368 90
Coupons on 7 per cent bonds.....	14,696 50
	$168,521 15
Leaving a ballance in the Treasury, on the 31st of December, 1863.....	$11,231 78

The item in above disbursements of "State warrants redeemed" refers to State liabilities issued in payment of the expenses of the government.

Amount of these warrants issued during 1863 was.....	$96,790 96
" war " " " "	30 00
Amount of warrants issued during 1863.....	$96,820 96
Interest on State warrants in 1863.....	2,842 77
Amount of warrants outstanding Dec. 31, 1862.....	37,658 32
Total.....	$137,322 05

Amount of warrants redeemed during 1863:			
" " State warrants.....	$106,848 10		
" " War "	368 90		
		107,217	00
Amount of warrants outstanding Jan. 1, 1864.....		$30,473	95

Debt.

The following is a statement of the funded debt of Kansas:

Amount of 7 per cent bonds.....	$204,000	00
" 6 " "	44,300	00
" 10 " "	500	00
Total funded debt.....	$248,800	00
If we add to this the warrants still outstanding:		
As above.....	$30,973	00
We have the whole debt of the State.....	$279,273	15

IS THE PRINCIPAL OF THE FIVE-TWENTY U. S. BONDS PAYABLE IN GOLD.

In the February number, page 129, (referring to the 10-40 stock) we remarked that the "law authorizing it provides that it shall be paid, *principal and interest* in gold, whereas the law authorizing the 5 20's provides only that the *interest* shall be paid in gold." Since then several of our subscribers have written us, questioning the correctness of our assertion respecting the 5-20 stock, and asking for an explanation. We have not, however, referred to the subject again, thinking its discussion could do no good, and knowing that no words could make the statement clearer, since the simple reading of the two acts is all that is necessary to convince even the most skeptical. Last month, however, we published two letters written by the Hon. E. G. SPAULDING, in one of which he states, in substance, that the *principal* as well as interest of the 5-20 bonds is payable in coin; and we have now received a letter calling attention to this disagreement between our statement and Mr. SPAULDING'S assertion, and intimating quite plainly that as he introduced the bill, he must be right and we wrong. The following is the letter; and, lest we may be considered as endorsing, by our silence, the error of Mr. SPAULDING, (as we published it) we add a few words in reply:

NEW YORK, May 26th, 1864.

WM. B. DANA, Esq.:

DEAR SIR.—In the MERCHANTS' MAGAZINE for February, article "Commercial Chronicle and Review," we find it stated that the law authorizing the 5-20 U. S. six per cent bonds provides only that the *interest* shall be paid in gold; whereas, the 10-40 five per cent bonds are payable, *principal* and interest, in gold. In the May number of the MAGAZINE you published two letters of ELY SPAULDING to MORRIS KETCHUM,

in the first of which Mr. SPAULDING affirms that the 5-20 bonds are payable *principal* and interest in gold. On the strength of your article in February we have confidently contended that the 10-40 bonds offered an advantage over the 5-20's in this particular. Mr. SPAULDING says he introduced the bill authorizing the 5-20 bonds, and he probably is correct in his statement. Would'nt it be well, in the next number of the MAGAZINE, to notice the apparent inconsistency between the article in February and Mr. SPAULDING's letter?

Respectfully yours,

O. C. & K.

I. Of course, by publishing Mr. SPAULDING's letters, we do not endorse everything in them. Many of his statements we should take exceptions to, but, at the same time, what he writes contains much wholesome truth and sound doctrine. Yet, when he tells us that a certain act of Congress has in it certain provisions, the only way to determine whether he is correct or not is simply to look at the act itself. We would suggest to our corrospondent that his difficulty would have vanished had he adopted this course.

II. The act under which the 5-20's were issued is the one approved by the President February 25, 1862, and is entitled "An Act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States."—Section 2 of this act is as follows:

Sec. 2: *And be it further enacted*, That, to enable the Secretary of the Treasury to fund the Treasury-notes and floating debt of the United States, he is hereby authorized to issue, on the credit of the United States, coupon bonds, or registered bonds, to an amount not exceeding five hundred millions of dollars, redeemable at the pleasure of the United States after five years, and payable twenty years from date, and bearing interest at the rate of six per centum per annum, payable semi-annually. And the bonds herein authorized shall be of such denominations, not less than fifty dollars, as may be determined upon by the Secretary of the Treasury. And the Secretary of the Treasury may dispose of such bonds at any time, at the market value thereof, for the coin of the United States, or for any of the Treasury-notes that have been, or may hereafter be issued, under any former act of Congress, or for United States notes that may be issued under the provisions of this act; and all stocks, bonds, and other securities of the United States held by individuals, corporations, or associations, within the United States, shall be exempt from taxation by or under State authority.

Certainly there is nothing in this section making any provision respecting the payment of these bonds either *principal or interest*; and if our correspondent will carefully read the act, from beginning to end, he will find that in no part of it is it stated that the *principal* of the bonds shall be finally paid in coin: and that is all we asserted in the February number, and we now re-assert it, and challenge any one to point out any such provision.

But we might go one step further than we then did; for it is very evident, we think, that not only does the law not contain any provision that the *principal* shall be paid in gold, but, more than that, by providing that United States notes shall be a legal-tender in payment of "all claims and demands against the United States, except for *interest* upon bonds and notes, which *shall be paid in coin*," it clearly contemplates that the *principal* of the bond will be finally paid in legal-tenders. The first section of the act authorizing these 5-20's, is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized to issue, on the credit of the United States, one hundred and fifty millions of dollars of United States notes, not bearing interest, payable to bearer, at the Treasury of the United States, and of such denominations as he may deem expedient, not less than five dollars each: *Provided, however*, That fifty millions of said notes shall be in lieu of the demand Treasury-notes authorized to be issued by the act of July 17th, 1861; which said demand notes shall be taken up as rapidly as practicable, and the notes herein provided for substituted for them: *And provided further*, That the amount of the two kinds of notes together, shall at no time exceed the sum of one hundred and fifty millions of dollars, *and such notes herein authorized shall be receivable in payment of* all taxes, internal duties, excises, debts, and demands of every kind due to the United States, except duties on imports, and of *all claims and demands against the United States, of every kind whatsoever, except for interest upon bonds and notes, which shall be paid in coin*, and shall also be lawful money, and a legal-tender in payment of *all debts, public and private, within the United States, except duties on imports, and interest as aforesaid.* And any holders of said United States notes depositing any sum, not less than fifty dollars, or some multiple of fifty dollars, with the Treasurer of the United States, or either of the Assistant Treasurers, shall receive in exchange therefor duplicate certificates of deposit, one of which may be transmitted to the Secretary of the Treasury, who shall thereupon issue to the holder an equal amount of bonds of the United States, coupon or registered, as may by said holder be desired, bearing interest at the rate of six per centum per annum, payable semi-annually, and redeemable at the pleasure of the United States after five years, and payable twenty years from the date thereof. And such United States notes shall be received the same as coin, at their par value, in payment for any loans that may be hereafter sold or negotiated by the Secretary of the Treasury, and may be re-issued from time to time, as the exigencies of the public interest shall require.

It must be remembered that this is the *first* section of the very same act, the *second* section of which (given above) authorizes the issuing of these 5-20 bonds. Could anything be plainer than that the law contemplates the payment of the principal of these bonds in legal-tenders? Only consider for a moment the words used. After creating the notes, it provides that "such notes * * * shall be receivable in payment of * * * * all claims and demands against the United States, of every kind whatsoever, except for interest upon bonds and notes, which shall be paid in coin"; and then, lest that provision might not be broad enough, adds—"and shall also be lawful money and a legal-tender in payment of all debts, public and private, within the United States, except duties on imports and interest as aforesaid." We cannot conceive of words which could more clearly state that the principal of the bonds, authorized by the very next section, is to be paid in legal-tenders. Besides, the exception added, as to the payment of *interest*, makes it impossible to interpret the words in any other manner. In fact there is not room even for a doubt; and until, therefore, our correspondent offers us something more than the mere assertion of Mr. SPAULDING, we shall be compelled to believe that, by the terms of the act, the principal of these bonds is payable in legal-tenders. In this connection it may be of interest to state that, since the passage of the law we have been considering, five others have been passed by Congress respecting United States notes, in each

of which a provision somewhat similar to the one we have been commenting upon is contained. The 20th section of the Banking Law also by its terms makes the debt of the United States payable in National Bank notes. As, therefore, the 5-20 act contains no provision making the principal of these bonds payable in coin, we do not see why such principal may not be paid in the notes of National Banks.

The following is section 20th of the Banking Law (for copy of the whole law, see *Merchants' Magazine* for April, 1863):

SEC. 20. *And be it further enacted*, That after any such association shall have caused its promise to pay such notes on demand to be signed by the president, vice-president, and cashier thereof, in such manner as to make them obligatory promissory notes, payable on demand, at its places of business, such association is hereby authorised to issue and circulate the same as money; *and the same shall be received at par in all parts of the United States* in payment of taxes, excises, public lands, and all other dues to the United States, except for duties on imports, and also *for all salaries and other* DEBTS *and demands* OWING BY THE UNITED STATES *to individuals, corporations, and associations within the United States,* EXCEPT INTEREST ON PUBLIC DEBT; and no such association shall issue post notes or any other note to circulate as money than such as are authorized by the foregoing provisions of this act.

III. It must be remembered, however, that the question we are discussing is not whether these 5-20 bonds *will* be paid in coin or legal-tenders or National Bank notes, but whether the act directs that they *shall* be paid in notes or coin. Most likely they will not be redeemed until the age of greenbacks and National Bank notes has passed away: then, of course, they will be paid in coin. Nor do we consider that the intentions of the Secretary of the Treasury in regard to the matter, affect the question at all. Many persons have written letters to the Secretary about the payment of the principal of these bonds, and have received replies. Did we suppose that he was always to fill that position those letters might be of interest: but not even then in this discussion, since our only inquiry is in regard to the provisions of the act, and not the action of officials under it.

As to the 10-40 bonds, only a word is necessary. By the terms of the act authorizing the issuing of these bonds, the principal and interest are both payable in coin. A copy of the act itself may be found in the April number, page 317, to which we would refer our correspondent.

COMMERCIAL CHRONICLE AND REVIEW.

UNITED STATES PUBLIC DEBT—INTEREST ON SAME, AND RATE OF INCREASE—GOVERNMENT ISSUES OF PAPER MONEY—FIVE PER CENT LEGAL-TENDERS COUPONS—UNCERTAINTY IN PLANS OF TREASURER—EUROPEAN FINANCES AND AMERICAN COTTON—EFFECT OF PEACE—PRICES U. S. PAPER—CONVERSION OF 7 30-100 INTO SIX PER CENTS—SPECIE MOVEMENT—RATES OF EXCHANGE, &C.

THE financial situation continues to turn, as a matter of course, upon the large operations of the Treasury Department. At the date of our last there was a good deal of money pressure growing out of the movement to sell exchange and gold. This pressure has passed away, and money has become very plenty without, however, bringing with it much relief to the Treasuary, the general policy of which continues to be to borrow at a cheap rate of interest. The periodical returns of the public debt are the best key to the general movement. These returns are not made at regular intervals but appear occasionly. The last five are as follows:

UNITED STATES PUBLIC DEBT.

INTEREST IN COIN.

	Feb. 2.	March 2.	March 15.	May 10.	May 14.
4 p. c. tem. lo'n	$526,092	$526,092	$13,692	$4,450	$4,200
5½ do old debt.	67,221,591	67,447,412	67,447,412	66,429,812	66,867,812
5 do 10-40's..	.....	.....	.....	44,606,100	48,925,500
6 do 5-20's...	503,005,178	510,165,446	510,740,100	510,780,450	510,780,450
6 do 20 yr. '61	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
6 do 20 yr, exc	.....	1,227,000	1,935,500	3,857,500	3,903,000
6 do Oregon...	1,016,000	1,016,000	1,016,000	1,016,000	1.016,000
7 3-10 3 y. 7-30	139,536,450	138,772,300	138,063,800	136,141,850	136,096,350
Total in coin.	$761,805,301	$769,154,251	$769,227,504	$812,836,168	$817,089,112

INTEREST IN PAPER.

4 p. c. tem. lo'n	$1,000,000	$511,300	$930,000	$724,292	724,292
5 do do	30,298,404	40,188,919	47,207,545	33,313,755	33,489,643
5 do 1 yr. l. t..	.....	5,860	14,600,000	43,000,000	43,000,000
5 do 2 yr. l. t..	50,000,000	95,502,031	115,581,414	180,894,887	180,894,887
6 do certif....	137,980,950	136,121,650	131,098,000	146,259,0 0	147,452,000
Tot'l in pap'r	$219,274,354	$272,329,760	$309,416,959	$404,191,935	$405,525,023

NO INTEREST.

U. S. Notes...	$450,785,004	$449,119,548	$449,073,616	$441,254,290	$441,224,017
Fractions.....	18,246.290	18,745,720	19,178,320	20,547,173	20,825,923
T. N. p't due..	13,000	164,150	143.300	77,850	77,850
Arrears.....	21,375,060	7,830,817	46,971,278	47,341,000	46,089,000
Total no int.	$490,419,355	$477,860,235	$515,361,515	$509,220,313	$508,216,790
Grand total	1,473,225,714	1,518,702,837	1,596,999,429	1,726,248,411	1,730,870,926

The aggregate increase of debt was, it appears, from Feb. 2 to May 14, as follows:

Feb 2, debt outstanding.....	$1,473,225,714 85
May 14, "	1,730,870,926 63
Increase 102 days.....	$257,645,212 48

This increase of debt is at the rate of $2.525,933 a day, or, in round numbers, 1,000 millions per annum. The increase, however, appears to be irregular. It has been, at the different periods when official statements have been given, as follows:

	Days.	Increase of Debt per day.	Amount Out.
June 30, 1863	..	.....	$1,098,793,181
Sept 30, 1863	92	$1,340,000	1,222,113,559
Feb 2, 1864	123	2,041,000	1,473,225,714
March 2, 1864	29	1,895,000	1,513,702,837
" 15, 1864	13	5,550,000	1,596,999,429
May 10, 1864	55	2,330,000	1,726 248,411
" 14, 1864	4	1,130,629	1,730.870,926
July 1, 1864	48	2,525,212	1,850,081,100

Accerding to the average increase of the 102 days up to May 14, the debt July 1 will be as stated.

The mode in which the money has been raised since Feb. 2, is seen by comparing the figures of the first and last columns of the table. These show results as follows:

1 year legal-tender notes		$43,000,000
2 " " "		130,894,887
Fractional notes		2,579,633
1 year 6 per cent certificates		9.471,150
5 per cent deposit certificates		3,196,239
Total paper issues		$189,141,909
Sales 5-20's	$7,775,272	
" 10-40's	48,925,500	
		56,700,772
Increase of arrears		24,713,940
Aggregate increase of debt		$270,556,621

Thus of the whole increase, only $56,700,772 was from sales of permanent stock; the remainder was from issues of paper currency, the increase and importance of which may be more generally illustrated by bringing forward the table that appeared in our last, of the government issues of paper money, corrected by the last official tables that have been published as follows:

	Greenbacks.	Two year coupons.	Two-year maturity.	One year.	Fractions.	Total legal tenders.
June 30	$387,646,589	.....	.....	.....	$20,192 456	$407,889,045
Sept 30	402,787,051	.....	.....	.....	17,766,056	420,503,107
Dec 1	418,245,931	.....	.....	.....	18,010,0 0	436,255,931
Jan 1	421,836,781	$50,000,000	.....	.....	18,120,000	489,956,781
Feb 1	450,785,004	50,000,000	.....	.....	18,246,290	518,031.294
March 1	449,119,548	95,502,031	.....	$5,860	18,745,720	563,373,159
" 15	449,073,616	115,581,414	.....	14,600,000	19,173,330	598,428,360
April 1	449,073,616	115,581,414	$29,801,536	26,520,000	19,981,240	640,957.856
May 10	441,254,280	115,581,414	65,313,473	43,000,000	20,547,173	685,696,340
May 14	441,224,017	115,581,414	65,313,473	43,000,000	20,825,923	685.944,827

Thus the increase of currency since July last year, has been $300,000,000, or $30,000,000 per month, a million per day; and this constitutes about one half of the aggregate increase of the government debt. The National Banks have, in the same period, added about $16,000,000 to the currency, the amount of the

new National Bank issues which was in circulation on the 15th ult. being :

Fives	$7,012,200
Tens	8,307,000
Above tens	541,000
Total	$15,860,200

This amount is certainly not much towards the authorized $300,000,000 of that description of notes, but in ordinary times it would have been a serious addition to the currency. Thus, then, the outstanding currency is increased to $700,000,000 dependant upon the government action, giving an increase of $200,000,000 since the 1st of January. The effect of this currency has been counteracted to some extent by the fact that a part of the five per cent coupon legal-tenders have been witheld from circulation for the interest which was due June 1st, at which date the coupon was cut off, and the whole amount then again became currency. These coupons have been the object of a singular action on the part of the Treasury, which has ordered that no one but a government officer should cut the coupon off. This has given rise to a great deal of dissatisfaction, because it was an arbitrary imposition of new conditions to a bargain after it had been consummated.

The notes were issued originally a legal-tender for their face, without the interest. The idea of the Secretary seems to have been to prevent the notes from circulating. In the bill sent to Congress, the distinction between the legal-tender character of the principal and interest was made in order to compel the holder to keep the note to maturity or lose his interest. When, however, he was forced to borrow $50,000,000 of the banks to pay the troops, September 5, to be repaid in the five per cent notes, the banks stipulated that the notes should bear half-yearly coupons. This was agreed to. When the notes were ready, the rate of money had gone up in the open market, by reason of the operations of the Treasury, from five to nine per cent. It was then perceived that the new note-holders had nothing to do but to cut the coupons off from the notes, keep them for redemption, and pay away the note itself as legal-tender.

To remedy this oversight, the Treasury ordered that the coupon should be cut off only by the government officer. This was an arbitrary rule, and of no legal force. The Secretary had of course no power to go behind the law and his contract with the banks, to make new conditions on penalty of repudiating the debt. The rule was, however, submitted to. It did not stop the circulation of the notes as currency, because money being worth 7a8 per cent, and the notes but 5 per cent as an investment, it was worth 3 per cent more to pay them away as currency than to hold them for interest.

The issue of the notes was stopped March 15, when the amount out was $115,000,000. The coupons now fell due June 1. and the difficulty of having them all cut off by a government officer is so apparent, that the rule is so far abrogated as to require the coupon to be taken off in the presence of a National Bank officer. The banks that lent their money on the notes to the Treasury, to pay the troops, can collect the coupons only on the oath of its officers that the bank is the actual owner of the note given.

The payment of the coupon, June 1st, has caused the whole amount to seek employment as currency. In the mean time the wants of the Treasury are very

pressing. The sales of the 10-40 loan, under the National Bank arrangement, are small as compared with the government wants. Up to May 14, it appears, but $50,000,000 had been sold. This was due, no doubt, to some extent, to the unfortunate perturbation of the market, caused by the Treasury action in selling gold and exchange to put down the price of gold, which only succeeded in causing a stock revulsion that checked all demand for the loan, except from the National Banks. Meantime, it appears from the table of debt, that there were, May 14, forty-six millions of over-due requisitions, in addition to the pay of the troops.

The call for more troops, indicated in the despatch of the Secretary of War, involves, necessarily, a large amount of money expenditure, as well for outfit, equipment, and bounties, as for transportation back and forth, of new and old troops. The transportation of wounded men, coming North, also swells the demand for money, and the mode of raising this is yet a problem. According to the official return of the debt to May 14, the amount of five per cent legal-tender notes outstanding is $223,894,887.40, which, deducted from the amount authorized, gives $176,105,112 as the disposable amount from that date, when $46,689,000 over-due requisitions were outstanding. This leaves but a small ballance with which to meet the accumulating charges upon the Treasury.

There is, also, another resource in the one-year certificates, of which the amount that may be issued is unlimited by law, but the amount out, $147,000,000, sells at 98 cents per dollar, or equal to 8 per cent per annum interest, when money is worth but 5 per cent. There is a good deal of other paper afloat, in the shape of vouchers and quartermasters' checks, on which money is borrowed by them, but will not command money at better than 7 per cent, because of the formalities that encumber them.

But besides these modes of providing the necessary funds, many others may be resorted to. It is given out now that the Secretary proposes to sell at auction fifty to one hundred millions of six per cents. This, however, has not been officially announced as yet. As this uncertainty serves to unsettle and check business, we hope that whatever plan is adopted will soon be made known, and the money raised. The country is ready to furnish the means, and is only anxious that it should be raised with the least possible waste.

The wants of the coming year, or twelve months from June 1, will be—say about one thousand millions. As a similar amount has been raised in the past year, in great part, as we have seen, by the aid of paper money, it becomes an important question how this can be best met.

The policy of the Treasury is, as we have said, indirect taxation and cheap loans. The success of this policy depends eminently upon a cheap money market. It is quite obvious that with a contracting currency there will be falling prices, reduced production of commodities, and dear money. In such a state of affairs indirect taxes will fall short of the estimates, and money cannot be borrowed at five per cent. The loans that have been obtained in the last year were through the cheapness of money, rise in prices, and apparent prosperity, caused by paper money. To borrow at five per cent, all those features will require to be exagerated, and this certainly cannot be done by curtailing the volume of paper money, or by making war upon the old banks, the machinery of which is so essential to the promotion of productive business. The enormous amount of money required

can only be procured, after so large a drain upon the national resources as has been made in the last three years, by some attention to the business convenience of the country.

The industry and the trade of the country are the means by which capital is created. If these are oppressed and hampered, the amount of production ceases, and the sources of government revenues are gradually dried up. The larger the demands upon the national capital the more necessary is it to nurture the means by which it is produced. The most disastrous influence upon business is uncertainty, and uncertainty in relation to the mode of raising such large sums of money is the most deleterious of all. To go on and borrow at five per cent requires a great and continual abundance of money, to change this policy and borrow at the market rate will cause a higher rate of money. Whichever plan, therefore, is adopted, the mercantile interest requires that it should be known—that there should be no uncertainty about it.

In view of the progress of military events, also, the influence of peace should be taken into account by all, and this is a very grave question. The effects of the war are now apparently but beginning to show themselves upon the finances of Europe. The last advices were of a rise in the rate of interest to 9 per cent, a rate higher than it has been since 1857, and perhaps never before at this season of the year, which is not that in which usually the greatest drain is made upon specie reserves. The rising prices of cotton, and the increased quantities required from sources that are not ready to take anything but specie in return, are permanent causes of an enhanced rate of money in England. This occurs, too, in a year when, happily, through good harvests, the rates of food are very low, and the necessity of buying much does not present itself. The cause will continue to operate, however, after renewed demand for foreign food will have set in. Meantime, the rise there impels more rapid remittances of money from this country and must greatly affect exchanges. The supply of cotton in England is by no means sufficient in quantity, and the quality is deceptive. For example, in a recent case a manufacturer purchased some Surat at 13d. per lb. Not only was it short in ultimate staple, but before this ultimate staple could be arrived at, it had lost 50 per cent in the process—a costly process too—of cleaning. So that the cleaned Indian cotton in reality cost the manufacturer 26d per lb.—or very nearly the present price of middling Orleans. None of the cotton purchased at all answers the purposes of the United States cotton, which would, as ever, instantly have the preference. Hence the return of peace and the opening of the Southern ports will involve a demand for money, for cotton, tobacco, rice, naval stores, &c., which can be counted by hundreds of millions. A bale of cotton at this moment is worth $350. In ordinary years the number of bales produced in the South is 4,000,000. If there should be but 2.000,000 to sell on the return of peace, the value would be $700,000,000. But the cotton would fall in price, and might realize $500,000,000. The suspended looms of Europe and England and the North would all contribute their quota to pay the enormous sum, of which a large proportion would be specie. Rice would require $10,000,000; tobacco $50,000,000; naval stores as much. In return, of course, an immense amount of goods would be required.

To purchase the material, to produce the goods, to transport them, will require capital that is now unemployed, and this sudden and large demand for

money thus created, could not but have a very serious influence upon the value of existing investments, and, of course, to an extraordinary extent upon the operations of the Treasury Department, since the expenses of the government could not suddenly be brought to an end.

The price of money in New York during the past 30 days, has been falling. The high rates that existed in April, caused money to get to the centre, and the demand for money decreased. The decline in the stock business is no doubt one of the chief reasons for the diminished demand for money. The comparative approximate amount of stock operations are as follows:

Week to	Stock Shares.	Value.	Bonds.	Bank Clearings.
April 9.....	461,954	$51,580,209	3,084,900	$658,352,112
April 30.....	207,620	25,952,500	2,213,500	446,587,420
May 6.....	163,967	19,677,700	2,275,100	410,052,014

Thus the stock transactions of the last week were not forty per cent of those of April 9, a decline of $32,000,000, and the clearings diminished $248,000,000, which would indicate that the stock checks are manipulated nine times before reaching the Clearing-house.

The prices of general stocks were as follows:

PRICES UNITED STATES PAPER.

	6's, 1881. Reg.	6's, 1881. Coup.	5's, 1874.	7 3-10, 3 years.	1 year certif. Old.	1 year certif. New.	Gold.
January 2..	104⅛	105⅛	96	106⅛	101⅛	97⅛	151⅛ a 151⅝
" 9..	104⅛	105⅛	96	166⅛	102	97⅛	152 a 152⅛
" 16..	104	105⅛	96	106⅛	102⅛	97⅛	155 a 155⅛
" 23..	106	107	97	107	103	97	156 a 158
" 30..	106⅛	106	100	107⅛	102⅛	97⅛	156⅛ a 156⅝
February 6..	107⅛	107⅛	100	108	102⅛	98⅛	159⅛ a 159⅝
" 13..	109⅛	109⅛	100	109⅛	103	98⅛	159⅛ a 159⅛
" 20..	111⅛	110	100	111	103	99⅛	159⅝ a 161
" 27..	111⅛	110⅛	100	111	103	99⅛	159⅝ a 161
March 5..	111⅛	111	100	111	103⅛	99⅝	161⅛ a 161⅛
" 12..	112	112	100	110⅛	103	99⅝	162⅛ a 162⅝
" 19..	112	112⅛	100	110⅛	103	99⅛	162 a 162⅛
" 26..	112	112⅛	100	111⅛	103	99⅛	169⅝ a 179
April 2..	111	110	100	111	...	99⅛	166⅛ a 167⅛
" 9..	112	112	102	111⅛	...	99⅛	169⅛ a 170
" 16..	107⅛	112⅛	102	112	...	99	173 a 189
" 23..	105⅛	108	109	109	...	97	174⅛ a 179
" 30..	114	114	102	111	...	98⅛	179⅛ a 179⅝
May 7..	113	113	102	109⅛	...	98⅛	178⅛ a 173⅝
" 14..	114	114⅛	102	111	...	98⅛	172⅛ a 172⅛

The Treasury has given notice in regard to the conversion of the three-year 7-30 notes. These notes were issued under the Act of July 17, 1861, and by its terms are exchangeable at any time, before or at maturity, for six per cent bonds of the Acts of July 17 and August 5, 1861, when presented in sums of not less than $500. The three-years' notes were issued, bearing date of August 19 and October 1, 1861, and become due after August 19 and October 1, 1864. Holders of the notes of either date are notified that they may be presented for immediate exchange for six per cent bonds, with full coupons, drawing interest to July 1, 1864, up to which date interest will be paid, without delay, on the three-years' notes, at the rate of 7 30-100 per cent per annum. The interest found to be due to July 1, 1864, will be transmitted by the United States Treasurer's

draft, payable in coin. The six per cent bonds, which are exchanged for the principal of the three-years' notes, will be issued, drawing interest from July 1, 1864, the date up to which the three-years' notes are settled, and will be transmitted as fast as they can be conveniently prepared. Parties wishing to exchange the three-years' notes in the above manner must send them to the Treasury Department in sums of $500, or its multiple, indorsed, "Pay to the Secretary of the Treasury for redemption," which indorsement must be signed by the party on whose account they are to be exchanged. They must be accompanied by a letter stating the numbers, denominations and dates of the notes, and the kind registered or coupon, and denomination of the six per cent bonds wanted in exchange. The six per cent coupon bonds are of the denomination of $500 and $1,000, and the registered bonds are of the denominations of $500, $1,000, $5,000 and $10,000. When registered bonds are ordered, parties must state at which of the following places they wish the interest to be paid, viz.: New York, Philadelphia, Boston, Baltimore or New Orleans.

The suspension of the sale of gold, gold certificates, and exchange by the Treasury, lessened the demand for money. The pay of the troops recurring again May 1, however, caused a demand for greenbacks to send to the army, and the Treasury sold exchange, on the 20th of May, at 97. The specie movement has been as follows:

SPECIE AND PRICE OF GOLD.

	1862.		1863.			
	Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
Jan. 2	.....	681,448	254,239	590,262	25,161,935	51¼ a 52
9	1,277,788	726,746	.....	1,216,204	25,122,002	51¾ a 52
16	.....	1,380,247	279,801	1,985,057	24,884,264	52¼ a 56½
23	678,841	780,817	365,608	1,000,000	24,681,204	56 a 58
30	.....	1,881,027	324,864	668,747	24,203,682	56¼ a ...
Feb. 6	301,860	1,277,000	.....	662,616	24,070,191	¼9¼ a ...
13	359,987	1,152,846	363,198	1,219,803	23,521,453	95 a ...
20	.....	520,017	.....	325,632	22,523,918	59 a ...
27	285,394	1,377,016	407,057	531,700	22,301,687	165 a 61
March 5	1,243,551	733,643	512,358	629,803	21,220,653	61¼ a 62
12	.....	3,540,550	.....	465,920	20,750,495	62 a 69
19	249,514	1,201,907	281,-04	88,881	21,059,512	62 a 62¼
26	159,105	1,050,156	375,101	273,900	20,425,504	69¼ a 70¼
Apr. 2	250,778	473,385	273,429	168,912	19,527,665	63¾ a 68½
9	.....	607,059	302,344	345,471	20,924,287	67 a 71
16	217,602	158,437	269,522	1,002,384	21,687,670	71 a 89
23	256,604	629,855	.....	3,226,000	24,868,203	72½ a 79
30		294,998	282,376	1,271,836	24,087,348	77 a 85
May 7	205,057	451,827	282,276	1,174,241	23,082,028	71 a 81
14		661,996		2,452,668	22,635,155	61¾ a 76¾
21	258,570	438,745	383,428	1,384,195	22,091,691	73 a 85
Total....	$6,583,708	$17,455,966	5,756,603	21,700,980		

This does not include $5,000,000 sent by the Government to London, and against what bills were sold in New York. The large importations had caused a steady and regular demand for bills, but the passage of the new tariff bills adding 50 per cent to all duties for 60 days, and which went into operation April 27, caused very large removals of goods from warehouse, and by so doing checked, for a time, remittances, which were, however, resumed actively, causing a rise in the price of gold. The rates of exchange were as follows:

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 2,.	166 a 166¼	3.38¾ a 3.34¼	62½ a 63	62¾ a 63¼	55½ a 56	110½ a 111
" 9,.	166½ a 167¾	3.38½ a 3.40	62¾ a 63	62¾ a 63½	55¾ a 56½	110½ a 111
" 16,.	169½ a 170¾	3.30 a 3.32½	64 a 64¼	64¼ a 64¾	56½ a 57½	112¾ a 113¾
" 23,.	170 a 171	3.31 a 3.33	64¼ a 64¼	64½ a 65	56¾ a 57	112¾ a 113¾
" 30,	171 a 172	3.32½ a 3.28½	64¼ a 64¾	64½ a 65	57¼ a 57½	113½ a 114
Feb. 6,	174 a 175	3.26½ a 3.28¾	65½ a 66¾	65½ a 66	58 a 58½	115 a 116
" 13,	173 a 174½	3.27½ a 3.28½	65 a 65½	65½ a 65¾	58½ a 58½	115½ a 116
" 20,	172½ a 174	3 27½ a 3.23¾	65½ a 65¾	65½ a 65¾	58½ a 58½	115½ a 116
" 27,	173½ a 174	2.26½ a 3.22	65½ a 65½	65¾ a 66	58¾ a 58¾	115¾ a 116½
Mar. 5,	174½ a 175¾	3.25 a 3.21½	65¾ a 66½	66 a 66½	58½ a 59	116 a 117
" 12,	177 a 178	3.15 a 3.18¾	66 a 66½	67 a 67½	59 a 59½	M7½ a 118
" 19,	176 a 177	3.22½ a 3.18¾	65½ a 66½	66 a 66½	58½ a 59	116 a 117
" 26,	179½ a 182	3.15 a 3.10	67¾ a 68½	68 a 68¾	60½ a 61	120 a 121
April 2,	177½ a 181	3.18¾ a 3.12½	66¾ a 67	67 a 67¾	59½ a 60½	118 a 120
" 9,	184 a 185	3.08 a 3.06½	68½ a 69	68¾ a 69½	61½ a 62	121½ a 122
" 16,	189 a 191	2.97½ a 2.95	70 a 71	70½ a 71½	62½ a 64½	127 a 128
" 23,	190 a 192	3.05½ a 2.95	71½ a 71¾	71½ a 72	62¾ a 63½	124 a 125
" 30,	195 a 198	2.90 a 2.85	73 a 74	73½ a 74½	65 a 66	130 a 131
May 7,	192 a 195	2.96½ a 2.90	72 a 73	72½ a 73½	63½ a 64½	126 a 127
" 14,	192 a 187	2.95 a 3.02	71½ a 70¾	71½ a 71	62½ a 63	124 a 125

With the rise in gold, and the difficulty of getting large gold to ship, the banking houses were disposed to sell bills for gold only. The small gold on the market is worth less by ¼ per cent to shippers than the double eagles. Per steamer of the 20th of April, the government came suddenly into the market and sold exchange at 97, about 3 per cent under the market rate. This enabled some houses to sell the gold they had previously purchased to ships, and replace it with government bills at a profit. The gold against which the government bills are drawn was shipped to Messrs. Baring Brothers, from San Francisco, as will appear from the following:

SAN FRANCISCO, April 18, 1864.

In reply to your strictures upon our report of the Treasure Shipments from this port, permit me to give the following explanation:

On the 8d Feb, by the St. Louis, the U. S Assistant Treasurer shipped, secretly, $2,000,000, and again on the 13th, by the Constitution, $1,500,000.

Those amounts were not on the steamers' manifests, consequently their destination was unknown, but they were supposed to have gone to New York. We have since ascertained that the money went to England, and have made the proper corrections, both for the above amounts and also for a subsequent shipment of $1.500,000 of the same nature, (in all $5,000,000) made on the 8d March, per Golden City.

* * * * * * * * * * * * * * * *

Respectfully, your obedient servant,

J. H. F.

These funds are now probably all exhausted, but it will be observed that the gold was sent to London many weeks *before* the bill authorizing sales of gold passed Congress. There have been no direct specie dealings between France and the United States, but with England the account was thus:

	1863		1864	
	Gold.	Silver.	Gold.	Silver.
Imports.....	£2,495,750	£319,750	£1,631,976	£23,308
Exports.....	1,767	.....	6,537	4,631
Excess Imports.....	£2,493,983	£319,750	£1,625,439	£18,077

There have been diminished receipts of gold this year from the United States, but the exports of leading articles of British merchandise to the United States were as follows:

	1863		1864	
Cotton, yards	£33,378,605	£699,023	31,824,124	£809,580
Linens	21,823,567	556,774	27,680,899	914,917
Silk	142,828	26,385	214,258	38,498
Worsted	13,180,068	510,444	23,127,007	959,851
Worsted Cloths	1,906,757	225,394	3,083,732	400,654
Carpets	385,783	51,056	963,185	176,752
Wool, lbs	16,775	587	422,050	24,877
Millinery	....	253,936	....	465,527
Iron, pig, tons	11,448	33,284	17,395	55,623
Iron, bar	14,113	122,607	29,571	281,888
Iron, railroad	1,516	14,380	39,420	295,677
Total		£2,493,863		£4,423,794

Thus the value of the articles enumerated was nearly double. In case of cotton goods, we have paid $500,000 more for 2,000,000 yards less goods; and linen has become an important item. These figures show the progress that importations have made in the last three months.

The importations of goods continue on a very large scale; meanwhile, the exports of produce are greatly reduced. The demand for bills is, therefore, accumulating, and points to a very large autumn demand.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

AMENDMENT TO NATIONAL BANKING LAW—DEPOSITS WITH U. S. BANKS—STATE BANKS, RETURNS OF NEW YORK, CONNECTICUT, WISCONSIN, AND RHODE ISLAND—CIRCULTION OF STATE BANKS—FIVE PER CENT LEGAL-TENDERS—BANK OF ENGLAND—BANK OF FRANCE—CIRCULATION OF THE UNITED KINGDOM—MEXICAN LOAN.

The National Banking Law has been before Congress for some time, has undergone repeated revision in both houses, and, after being referred to a conference committee, finally passed both houses June 1st. One of its provisions, looking to the merging of State Banks under its authority, was in the form of a bill passed by the Legislature, but failed to receive the sanction of the governor. This bill we gave in our last number.

The National Bank bil having first passed the House, was sent to the Senate where it was amended in many particulars. On the 24th of May it came up again in the House, and many of the amendments of the Senate were concurred in.

The Senate had amended the 12th section of the bill, which provides that shareholders shall be held individually responsible, by adding an exception, that the shareholders of any banking association now existing under the laws having not less than five millions of capital actually paid in, and a surplus of twenty per centum on hand, both to be determined by the comptroller of the currency, shall be liable only to the amount invested in their shares, and such surplus shall be kept undiminished, and be

in addition to the surplus provided for in this act, and if at any time there shall be a deficiency in said surplus of twenty per centum, the banking association shall not pay any dividends to its shareholders until such deficiency shall be made good, and in case of such deficiency the comptroller of the currency may compel the banking association to close its business and wind up its affair, under the provisions of this act.

The House concurred in the above by 68 against 34.

The House limited the entire amount of notes for circulation to three hundred millions of dollars. The Senate has amended it by making the limit apply to either the circulation or capital stock.

The House non-concurred in this amendment by a vote of 57 against 77, leaving the limit to apply to the circulation alone.

The House—96 against 23—concurred in the Senate's amendment that the comptroller, upon the terms prescribed by the Secretary of the Treasury, may permit an exchange to be be made of any of the bonds deposited with the Treasurer by an association for other bonds of the United States, authorized by this act to be received as security for circulating notes. If he shall be of opinion that an exchange can be made without prejudice to the United States.

The House had fixed the rate of interest at not exceeding seven per cent per annum.

The Senate struck this out and substituted, that the association may charge the rate allowed by the State or territory where the bank is located and no more, except that where, by the laws of any State, a different rate is limited for banks of issue organized under State laws, and in that case the rate so limited shall be allowed for associations organized in any State under this act, and when no rate is fixed by the State or territory, the bank may receive or charge a rate not exceeding seven per centum, &c.

The House concurred in this by yeas 56, nays 52.

Mr. Stevens said that the most important part of the bill had thus been stricken out, and he, therefore, moved to lay it on the table.

This was disagreed to by a vote of 55 against 72.

It is useless however, to speculate on the final condition of this bill until we receive an official copy; but, we think, the indications are that it will contain less evil and more good than was intended by its originators. In the meantime, it is weaning from the Secretary many of his best friends.

The number of banks that have filed papers under the law is nearly 440, with a nominal aggregate capital of $63,281,000, not a very large proportion of which, however, has been paid in. The institutions go into operation when one-third the capital is paid up, and circulate to the amount obtained from the department. One third of $63,281,000 is about $21,000,000, and the most recent returns to the close of April, gave the circulation of the new banks at $16,000,000. It may be possible that $20,000,000 has been paid in as capital to the new institutions—the main incentive for the establishment of which is the use of the public money without interest, and without security. In the items of the public debt, published May 10th and May 12th, is given the official statement of money in the Treasury subject to draft. The draft statement gave the following item:

Unpaid requisitions	$47,341,008

The money on hand was reported as follows:

	On Deposit.	Subject to Draft.
In United States depositories	$24,755,800	$17,983,742
In National Banks	27,481,852	26,302,686
Total on hand	$52,236,653	$44,236,378

It appears from this return that the amount of public money lying idle in the

National Banks, without interest and without security, exceeds the whole actual capital of those institutions paid in, and is nearly double the amount of the circulation got out by those banks. The account stands thus:

Money withheld from public creditors	$47,341,000
Money lent to National Banks without interest	26,302,636
Secured circulation of National Banks	15,881,201

This plan of setting up a system of National Banks on the government money, is certainly not one either desirable or practicable. The most solid organizations under the law are in New York. But these do not derive their strength from the law; some of them are mere loan offices, and agents of the government, and will not survive the present borrowing exigencies of the department. Others, conducted on sound banking principles, with a view to commercial advantages; will survive, no matter what may be the destination of the National Bank plan, the organization of which shows decided symptoms of weakness. The quarterly report, required by the law, and which was due April 1st, has not yet made its appearance.

The State Banks, as a general thing, have been reducing their outstanding obligations, but their assets are comprised largely of the United States promises. The banks of the State of New York are as follows. The returns of the two preceding quarters may be found page 223 of the March number:

CONDITION OF THE BANKS OF THE STATE OF NEW YORK, ON THE 12TH OF MARCH, 1864.

Resources.

Loans and discounts	.....	$200,399,286
Over-drafts	$5,559 and	536,926
Due from banks	.....	23,753,048
Due from directors	7,048,824	
Due from brokers	23,883,815	
Real estate	8,250 and	8,521,359
Specie	.....	22,146,592
Cash items	.....	105,350,120
Stocks, promisory, and U. S. 7 3-10 notes and indebted certificates	781,800 &	117,159,241
Bonds and mortgages	.....	4,915,315
Bills of solvent banks and U. S. demand notes	.....	33,159,241
Bills of suspended banks	67 and	245
Loss and expense account	.....	786,180
Add for cents	.....	910
Total		$516,727,137

Liabilities.

Capital	$109,370,105
Circulation	30,974,850
Profits	12,724,700
Due banks	55,613,860
Due individuals and corporations other than banks and depositors	5,604,308
Due Treasurer of the State of New York	3,813,957
Due depositors on demand	291,662,726
Amount due others, not included in the above heads	2,962,113
Add for cents	518
Total	$516,727,137

Three hundred and ten banks doing business and all reported. The more

noticeable features of the report are a decrease in specie, bonds and mortgages, and circulation, and an increase in government securities and currency and deposits. The bank of Havana, Elmira Bank, International Bank, Leonardsville Bank, Lincoln Bank, Merchants' Bank of Erie County, and New York Exchange Bank, are closing their business as fast as practicable.

The very large amount of government securities, amounting to 10 per cent in excess of the capital, is a marked feature in the returns. The city bank returns quarterly we gave in our last number.

The following is a statement of the leading features of the banks of the State of New York for a number of quarters:

	Circulation.	Deposits.	Specie.	Discounts.
September 1861.....	$23,015,748	$111,895,016	$38,089,727	$176,055,848
March 1862.....	28,330,973	121,988,259	34,301,092	162,017,987
June 1862.....	33,727,382	150,438,244	32,882,693	184,501,261
September 1862.....	37,557,373	186,390,795	39,288,981	165,584,063
December 1862.....	39,182,819	191,537,897	37,803,047	178,922,536
March 1863.....	35,506,606	221,544,347	36,802,438	183,864,089
June 1863.....	32,261,462	218,717,725	40,250,309	183,617,438
September 1863.....	33,423,230	233,611,282	31,071,759	203,462,460
December 1863.....	36,934,255	222,645,814	26,685,669	193,781,315
March 12, 1864.....	30,974,850	291,662,726	22,146,592	200,399,286

The returns of the banks of Connecticut have been as follows:

	July, 1863.	Jan., 1864.	April, 1864.
Capital.....	$21,891,897	$21,959,542	$21,606,962
Circulation.....	11,371,866	12,981,550	11,869,701
Deposits.....	9,432,549	9,777,596	9,996,643
Specie.....	1,471,102	1,440,105	1,198,872
U. S. securities.....	7,662,500	7,615,743	7,073,283
Loans and dis.....	28,050,889	31,045,313	28,569,376

The last statement of the banks of Rhode Island shows the following aggregates:

	Banks in Providence.	Banks out of Providence.
Capital.....	$16,006,650	$5,147,789
Specie.....	349,748	121,644
Loans.....	24,026,886	7,684,799
Deposits.....	4,812,866	1,812,435
Circulation.....	3,981,776	2,131,943

The banks of Wisconsin, to May 1, showed returns as follows:

	Securities.	Circulation.
April 1.....	$2,731,201	$2,651,293
May 1.....	2,705,346	2,635,673

The circulation, it will be observed, has declined $6,000,000 in the three months to March 12. If we compare such returns of the State banks as present themselves, we have the following figures of circulation:

	Jan. 1863.	March 1864.
New York.....	$39,182,819	$30,974,850
Maine.....	6,488,478	6,424,920
Connecticut.....	13,842,758	11,869,701
Rhode Island.....	6 413,404	6.113,119
Wisconsin.....	2,671,201	2,635,673
Total.....	$48,508,660	$58,018,273

Thus, these institutions have shown a decrease of more than ten millions in circulation, during a period in which the paper currency has increased four hundred millions, and the National Banks $16,000,000.

The weekly returns of the Banks of the three cities present some marked features this month. Those of New York city show a continued and large increase of deposits, which have been attracted to the city by the high rate of money. The same feature in the Philadelphia and Boston Banks shows a decrease, as do also the loans, while New York Banks show an increase of loans. These latter are, however, mostly the re-deposits of the accumulating money with the government on short paper. The disposition of the large amount of 5 per cent. legal tender notes, with half-yearly coupons held by the banks, has been a matter of discussion. It has been proposed that the Secretary of the Treasury should raise the rate of the deposit certificates to 6 per cent, and make them payable at ten days notice, without the thirty days now required. It was supposed that the banks would, in this case, be glad to deposit the legal-tender on those terms, and thus supply the Treasury wants while making their own means more available.

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan.*, 1864, $———; *Jan.*, 1863, $69,494,577.)

Date.		Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January	2,..	$174,714,465	$25,161,935	$6,103,331	$140,250,856	$300,753,147
"	9,..	173,009,701	25,122,002	6,032,546	134,861,977	387,546,217
"	16,..	165,991,170	23,884,264	6,008,182	130,311,046	416,962,806
"	23,..	162,925,880	24,077,513	5,949,807	130,136,203	460,811,543
"	30,..	162,296,896	24,203,632	5,913,558	130,665,415	427,306,608
February	6,..	163,076,846	24,070,791	5,974,762	133,849,042	425,430,985
"	13,..	165,090,829	23,521,453	5,916,707	140,464,616	467,751,745
"	20,..	168,302,935	22,523,918	5,908,394	148,014,106	514,887,411
"	27,..	174,928,205	22,301,687	5,907,851	154,875,059	575,442,304
March	5,..	182,317,378	21,188,084	5,937,167	158,999,668	518,951,433
"	12,..	189,757,746	20,750,405	5,918,807	168,044,977	688,822,273
"	19,..	198,229,513	21,059,542	5,889,197	169,637,975	618,338,858
"	26,..	199,872,437	20,425,504	5,514,139	168,315,904	576,253,989
April	2,..	203,993,131	19,526,665	5,708,908	171,151,297	676,372,745
"	9,..	204,333,192	20,924,287	5,804,511	170,513,020	658,352,112
"	16,..	198,703,699	21,687,670	5,779,650	168,350,790	646,593,643
"	23,..	196,286,722	24,868,003	5,679,947	161,978,166	672,442,840
"	30,..	194,157,495	24,087,343	5,626,978	164,578,919	446,587,420
May	7,..	192881,246	23,082,028	5,594,832	168,562,197	410,052,013
"	14,..	194,178,921	22,635,155	5,482,357	174,426,682	413,552,127
"	21,..	197,356,939	22,091,691	5,367,355	173,111,884	486,884,114
"	28,..	195,813,462	21,973,180	5,240,812	171,765,696	410,972,198

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan.*, 1863, $11,740,080; 1862, $11,970,130.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,...	$35,698,808	$4,158,585	$2,055,811	$29,878,920	$4,816,763	$2,963,563
" 11,...	35,458,967	4,158,235	2,050,891	30,484,227	4,001,473	2,814,188
" 18,...	34,896,842	4,158,125	2,044,427	31,194,851	4,330,120	3,063,148
" 25,...	34,849,959	4,103,065	2,047,846	32,354,253	3,500,693	2,905,921
Feb. 1,...	34,345,126	4,108,109	2,056,532	32,027,147	3,453,431	3,271,306
" 8,...	34,146,677	4,102,671	2,066,069	31,033,030	4,080,059	2,461,273
" 15,...	34,590,880	4,102,748	2,059,061	29,911,704	4,322,609	2,080,750
" 22,...	35,059,676	4,102,588	2,119,488	30,783,741	4,463,751	2,099,778
" 29,...	35,519,704	4,102,848	2,167,348	31,435,753	4,837,264	2,114,227
Mr. 7,...	35,913,334	4,102,632	2,208,492	31,712,547	5,323,316	2,116,042

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Mar. 14,...	35,956,678	4,099,707	2,308,250	32,511,405	5,508,146	2,333,819
" 21,...	36,412,923	4,099,664	2,340,132	32,835,088	6,933,974	2,428,227
" 29,...	36,695,415	4,096,401	2,357,768	33,156,496	5,791,191	2,724,935
April 4,...	37,262,220	4,095,495	2,390,092	34,404,607	5,641,638	3,425,805
" 11,...	37,032,110	4,093,461	2,379,827	35,958,444	5,855,277	3,799,151
" 18,...	39,535,834	4,095,387	2,329,590	38,174,046	5,748,257	3,291,176
" 25,...	39,570,567	4,095,475	2,253,386	37,393,247	6,067,966	2,592,465
May 2,...	39,770,426	3,972 349	2,241,885	37,758,836	6,374,531	2,730,540
" 9,...	39,689,436	3,967,268	2,152,827	37,466,311	6,686,576	2,786,080
" 16,...	39,262,695	3,964,522	2,131,919	37,638,814	6,580,548	2,853,894

BOSTON BANKS.

Boston Banks. (*Capital, Jan.*, 1863, $38,231,700; *Jan.*, 1862, $38,231,700.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4,..	$76,805,343	$7,508,889	$9,625,043	$32,525,679	$12,831,000	$12,351,500
" 11,..	77,747,734	7,531,195	10,185,615	31,524,185	12,703,600	11,018,000
" 18,..	75,877,427	7,464,511	9,963,389	31,151,240	12,041,000	11,769.000
" 25,..	74,146.000	7,440,000	9,729,000	30,893,000	11,106,700	12,227.000
Feb 1,..	73,959,175	7,385,413	9,660,163	30,655,782	10,825,000	11,854,500
" 8,..	71,765,122	7,265,104	9,579,020	30,030,292	11,315,000	12,272,000
" 15,..	71,088,649	7,224,924	9,741,471	30,412,647	11,615,000	13,448,000
" 22,..	71,074,000	7,215,500	9,411,000	31,831,000	11,329,600	14,925,400
" 29,..	72,189,003	7,179,310	9,371,440	33,155,888	12,224,603	16,189,724
Mar. 7,..	72,687,363	7,108,519	9,606,818	33,688,017	12,313,829	16,535,992
" 14,..	72,105,111	7,052,181	9,490,311	33,891,204	12,704,181	17,315,231
" 21,..	73,207.121	7,033,721	9,548,211	35,090,181	13,092,531	17,266.741
" 28,..	73,485,514	7,016,086	9,210,096	34,859,508	13,352,706	17,071,732
April 4,..	71,838.506	6,856,708	9,442.082	32,861,609	13,601,005	15.786.091
" 11,..	72,620,348	6,932,192	10,447,916	33,324,978	15,094,360	17,362,371
" 18,..	72,328,896	6,869,726	10,331 806	33,510.054	14,447,997	17,051,244
" 25,..	72,588,611	6,952,498	10,988,991	31,810,971	14,715,981	15,790,498
May 2,..	71,270,181	6,642,798	10,127,097	31,461,499	14,206,581	14,206.592
" 9,..	69,471,481	6,716,484	10,121,591	31,172,584	12,801,000	16,289,000
" 16,..	68.888,581	6,644,493	10,126,473	31,633,071	12,500,671	16,201,083
" 23,..	66,688,510	6,578,181	9,899,193	36,605,131	11,871,719	15,733,691

BANK OF ENGLAND.

The circumstances which, in former numbers, we have pointed out as operating to produce a permanently higher rate of money in England and on the Continent, began again to make themselves felt in the middle of April, and the rate of interest at the Bank of England again rose to 7 per cent. The position of the Bank of France is very weak for this time of the year, at which specie is generally withdrawn for the provinces; and, under these circumstances, the English market is at any moment liable to be laid under contribution to supply their wants. The recent creations of new shares in the London market, and the considerable dealings in them, naturally tend to the greater dearness of money, as in consequence of the difficulties attending their transfer, bankers and credit institutions are disinclined to lend upon securities not easily negotiable, and which have been carried up to very high quotations. Rates are, therefore, exacted in proportion to the risk, with the result of attracting money from more solid investments, at a moment when the requirements of trade are gradually assuming increased importance. These circumstances, followed by a renewed demand for money for India, produced such results that the Bank Directors have, in the

week ending May 7, announced two successive alterations in the rate of discount. On the 2d, it was advanced to 8 per cent; and in the course of the 6th, the further rise to 9 per cent was determined upon. One object of the rise is to attract supplies of capital and bullion to England from the Continent. On former occasions a less rise has had a marvellous effect, and it was expected that such would be the case now, and, accordingly, such a change in the current of money was brought about that the rate was reduced to 8 per cent on the 20th.

England is advancing bullion to India and other countries to pay for cotton. The cotton arrives there first, and a considerable amount is exported as raw material, and a much larger amount in a manufactured form. England thus lays for a long time out of her money, till the coin advanced to the ryot or grower is returned by the long-dated and complex interchanges of trade. It is evident that the rise in the rate of discount, if sufficiently high, tends to attract bullion from foreign countries, and, what is even more important, that it enables her to retain whatever bullion comes from Australia and the other producing countries. This operation is counteracted to some extent by the raising of the rate of interest on the Continent.

The Bank of France, May 7, advanced their minimum rate to 7 per cent; and again, on the 12th, to 8 per cent; and the Bank of Berlin a few days previous notified a rise of ½ per cent, from 4½ to 5. In the Continental markets generally money is abundant from the stoppage of trade caused by the war, but the tendency is upwards.

The returns of the Bank of England are as follows:

THE BANK OF ENGLAND RETURNS.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 2,...	21,685,732	7,234,894	12,924,545	31,980,889	13,048,475	8 per ct.
" 9,...	20,801,207	8,629,856	12,981,276	32,622,659	13,008,617	8 "
" 16,...	20,382,764	9,103,738	13,265,068	32,803,049	13,675,474	7 "
" 23,...	20,273,799	10,266,546	12,711,637	32,270,286	14,217,067	7 "
" 30,...	20,686,538	10,841,991	13,021,212	33,438,154	14,862,605	7 "
Jan. 6, '64	21,322,304	10,001,982	13,052,604	33,486,952	14,196,754	7 "
" 13,...	21,396,420	5,264,097	15,411,794	31,726,575	11,708,597	7 "
" 20,...	21,445,793	5,689,074	13,879,877	31,445,860	12,974,109	8 "
" 27,...	20,575,825	6,337,246	13,406,627	31,017,449	13,022,220	8 "
Feb. 3,...	21,162,626	6,748,867	13,372,981	31,436,334	13,303,243	8 "
" 10,...	20,708,113	7,254,682	12,882,226	36,925,317	13,472,271	7 "
" 17,...	20,696,172	7,079,789	13,306,156	31,078,328	13,582,635	7 "
" 24,...	20,207,871	8,153,601	12,426,673	30,504,827	13,819,412	6 "
March 2,...	20,840,374	7,893,633	13,541,278	31,980,446	14,084,222	6 "
" 9,...	20,563,325	8,663,364	12,484,975	31,769,311	13,864,389	6 "
" 16,...	20,333,112	8,570,711	13,105,800	31,929,164	13,946,943	6 "
" 23,...	20,566,705	9,841,323	12,480,154	32,112,543	14,499,201	6 "
" 30,...	20,908,644	10,280,458	12,658,986	33,472,484	14,163,519	6 "
April 6,...	21,528,914	9,818,880	13,348,299	34,228,509	13,616,762	6 "
" 12,...	21,785,597	5,929,922	13,586,029	31,385,805	13,080,300	6 "
" 20,...	21,672,783	5,787,329	13,684,069	31,596,179	12,743,302	7 "
" 27,...	21,464,602	6,217,965	12,620,036	30,961,635	12,567,776	7 "
May 4,...	22,045,792	6,951,132	12,278,903	32,070,427	12,454,244	9 "

The following returns show the state of the note circulation of the United Kingdom during the four weeks ending April 2, 1864, compared with the previous month:

NOTE CIRCULATION OF THE UNITED KINGDOM.

	March 5, 1864.	April 2, 1864.	Increase.	Decrease.
Bank of England.....	£20,057,054	£20,035,846	....	£21,208
Private Banks.....	3,105,613	3,135,256	£29,643	....
Joint Stock Banks.....	2,862,762	2,952,159	89,397	....
Total in England....	26,025,429	26,123,261	97,832	....
Scotland.....	3,996,743	3,921,138	....	74,605
Ireland.....	5,562,559	5,533,451	....	29,108
United Kingdom....	35,584,731	35,578,850	....	5,881

And as compared with the month ending the 4th of April, 1863, the above returns show an increase of £369,724 in the circulation of notes in England, and an increase of £568,388 in the circulation of the United Kingdom.

It will be remembered that, at the time of the re-charter of the Bank of England in 1844, the circulation of the county and private banks was limited to a figure which should represent the average issues of the banks for the previous five years. That was taken as a safe point beyond which the right to circulate notes should not be allowed. On comparing the above with the fixed issues of the several banks the following is the state of the circulation:—The English private banks are below their fixed issue £1,129,886, the English joint-stock banks are below their fixed issue £322,199,—total below fixed issue in England £1,452,085 : the Scotch banks are above their fixed issue £1,172,857 ; the Irish banks are below their fixed issue £821,043. The average stock of bullion held by the Bank of England in both departments during the month ending the 30th March was £14,111,013, being an increase of £383,628 as compared with the previous month, and a decrease of £649,742 when compared with the same period last year. The following are the amounts of specie held by the Scotch and Irish banks during the month ending the 2d of April:—Gold and silver held by the Scotch banks, £2,359,490 ; gold and silver held by the Irish banks, £1,899,707 ; total, £4,259,197 ; being a decrease of £38,972 as compared with the previous return, and a decrease of £30,322 when compared with the corresponding period of last year.

The following singular notice explains itself, and illustrates the speculative tendency of the markets in London. It would be long before the proprietors of a company here would complain that the public thought too well of their shares.

To Mr. SLAUGHTER, Secretary to the Stock Exchange.

SIR,—We have observed with great concern and regret the recent extensive speculation in the shares of this Bank, and have heard it alleged that the Directors are concerned therein. We, therefore, take the somewhat unusual course of stating to you, for the information of the members of the house, that we have not in any way, directly or indirectly, assisted in producing the late extraordinary rise in the premium on the shares ; and as we are well aware that it must be prejudical to the interests of *bona fide* investors to allow the shares to serve as the medium of merely speculative operations, we have no hesitation in saying that, although the business is progressing in a satisfactory manner, there is nothing whatever in its present position to justify the recent rapid advance in the price of the shares.—We are, Sir, your obedt. servants,

(Signed,) H. G. GORDON, H. LITTLEDALE,
JOHN PENDER, WM. MCNEILL,
THOS. REES, ROBT. GILLESPIE,
SAMUEL STIFF, JOHN GILCHRIST,
ARCHIBALD BOYD, WM. RENNIE,

Directors of the British and American Exchange Banking Corporation, Limited.
1 Bank Buildings, Lothbury, London, E.C., 6th May, 1864.

BANK OF FRANCE.

The returns of the Bank of France shows less strength, although the rate of interest was, as stated, raised to 7 per cent, and, on the 12th May, to 8 per cent. It was again reduced to 7 per cent, May 20. The returns are as follows:

BANK OF FRANCE.

	Loans.	Specie.	Circulation.	Deposits.	Interest.
January —	fr.751,649,983	fr.169,027,010	fr.813,490,825	fr.159,797,667	7
February —	705,516,796	182,573,888	775,096,775	160,110,225	7
March —	642,135,993	195,994,738	746,610,375	142,925,719	6
April —	643,570,276	219,320,720	759,926,425	133,701,530	6
May —	683,332,517	242,824,609	767,443,475	178,434,305	8

There was a gain in specie, and a very considerable rise in deposits.

It will be remembered that the Bank of France had undertaken to issue small notes some weeks since. A bill has become a law to reduce the standard of small coins, of the lower denominations of silver coin—that is those of 2f, 1f, 50c, and 20c—from 900 of pure silver per 1000 to 835—its object being to prevent their being exported. The objection having been made that it was not prudent to disturb the value of the franc, which is the basis of the French monetary system, the Minister of Finance consented to confine this bill to the lowest coins—those of 50c and 20c; and in that shape it has passed the Corps Legislatif. The existing 50c and 20c are to be withdrawn from circulation, and are to cease to have legal currency at a date to be hereafter fixed. Authorization is given to coin 30,000,000f of such pieces of the new standard, and in addition to issue a further quantity equal to that withdrawn. As there has long been an insufficiency of small silver coin, whereby great inconvenience was occasioned, the new bill will be useful.

The Credit Mobilier has not made a public announcement of the amount subscribed for the Mexican loan, but it notified subscribers that they might receive their *titres* on the 16th May. It appears that after all the subscription was not successful, only about nine millions having been advanced.

CONFEDERATE TREASURY NOTES.

The Richmond *Sentinel* gives the following figures, for which it says it is indebted to the politeness of the Registrar of the Treasury:

STATEMENT OF THE ISSUE OF NON-INTEREST BEARING TREASURY NOTES SINCE THE ORGANIZATION OF THE CONFEDERATE GOVERNMENT.

Fifty cents	$911,258 50
Ones	4,382,000 00
Twos	6,086,320 00
Fives	79,090,315 00
Tens	157,982,750 00
Twenties	217,425,120 00
Fifties	188,088,200 00
Total	$978,277,363 50

STATEMENT SHOWING THE AMOUNT OF NON-INTEREST BEARING TREASURY NOTES OUTSTANDING ON MARCH 31, 1864.

Act May 16, 1861—Two year notes	$7,201,375 00
Act Aug. 19, 1861—General currency	154,356,631 00
Act April 19, 1862—Ones and twos	4,516,509 00
Act Oct. 18, 1862—General currency	118,997,321 50
Act March 23, 1863—General currency	511,182,566 50
Total	$796,264,403 00

From these two statements it appears that $177,022,960 50 of the non-interest-bearing issues have been redeemed and canceled. This amount included only such notes as have been regularly canceled and destroyed in pursuance of warrants from the Treasury. There is always in the hands of the depositories notes not yet reported for destruction. We have heard the amount thus held at present, apart from the four per cent funding, estimated at ten millions.

There is but little doubt that the funding, east and west of the Mississippi, will amount to $300,000,000. The total issue outstanding March 31 is thereby reduced say to $485,000,000. Of this, a considerable portion, probably $100,000,000, is in $100 notes. Excluding these, we have $385,000,000 left, of which the issues of $5 and under amount to $90,969,898 50. Suppose $85,000,000 of these are now in circulation, and we have for all others $300,000,000 which the tax of one-third has reduced to $200,000,000. The total circulation at the present time, irrespective of the new issue, is, therefore, largely less than $300,000,000, and of this a considerable amount is always to be found in the hands of the disbursing officers and depositaries.

We have not included in the above any estimates of the amount of circulation lost or destroyed, and thereby gained to the Government. It is doubtless considerable.

The amount of currency which has been canceled and destroyed (irrespective of the operations of the present currency law), is nearly 20 per cent of the whole issue. If this reduction be applied to the five dollar notes, the amount of these in circulation would appear to be $63,272,252.

RAILWAY, CANAL, AND TELEGRAPH STATISTICS.

RAILWAYS OF THE UNITED KINGDOM, FRANCE, AND THE UNITED STATES, THEIR LENGTH, COST, RECEIPTS, &c.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

THE following table, prepared from the returns of the companies, shows at a glance every important particular respecting the Railways of the United Kingdom from the year 1842 to, and including, 1863. Not only are the traffic receipts and capital of the railways, published weekly, here given, but also the capital and receipts on certain inferior railways, which do not appear in the weekly publications. These smaller undertakings thus included have a capital of £9,350,000; the aggregate length is 710 miles; and the year's receipts, about £544,700. Of these, £5,500,000 have been expended on 290 miles of English

lines, £2,550,000 on 312 miles of Scotch lines, and £1,300,000 on 108 miles of Irish lines; the estimated aggregate trafic being £350,000 on the English lines, $154,700 on the Scotch lines, and £40,000 on the Irish lines.

LENGTH, CAPITAL, YEARLY RECEIPTS, ETC., OF THE RAILWAYS OF THE UNITED KINGDOM.

Year.	Capital Expended on Railways open for Traffic.	Average Cost per mile.	Total Traffic Receipts.	Average Receipts per mile for the year.	Working Expenses, Rates, and Taxes, Per Cent.	Length of Line open at end of year. Miles.	Per Centage of Traffic to Receipts on Capital Expended, Per Cent.	Per Centage of Profit on Capital Expended, Per Cent.
1842.....	£54,380,100	£33,363	£4,470,700	£2,748	40	1,630	8.22	4.93
1843.....	60,637,100	34,989	5,022,650	2,895	40	1,730	8.28	4.94
1844.....	66,382,100	34,290	5,814,980	2,983	40	1,950	8.70	5.23
1845.....	75,646,100	33,726	6,909,270	3,080	40	2,243	9.13	5.48
1846.....	87,765,100	30,903	7,945,870	2,797	42	2,840	9.05	5.25
1847.....	114,798,000	30,924	9,277,670	2,501	42	3,710	8.08	4.69
1848.....	154,200,000	33,333	10,545,100	2,258	42	4,626	6.77	4.06
1849.....	197,000,000	33,110	11,683,800	2,000	42	5,950	5.93	3.44
1850.....	250,528,780	34,236	13,142,235	1,944	42	6,733	5.70	3.31
1851.....	286,841,420	34,136	14,987,810	2,163	42	6,938	6.33	3.67
1852.....	248,093,590	33,816	15,548,610	2,118	45	7,337	6.27	3.44
1853.....	263,636,820	33,912	17,920,530	2,305	44	7,774	6.80	3.80
1854.....	278,860,000	34,113	20,000,000	2,491	46	8,028	7.30	3.93
1855.....	291,903,000	35,425	21,123,315	2,567	47	8,240	7.24	3.90
1856.....	298,946,260	34,123	22,995,500	2,625	48	8,761	7.69	4.00
1857.....	305,158,670	33,492	24,162,465	2,634	48	9,171	7.87	4.19
1858.....	315,950,000	33,000	23,763,764	2,484	48	9,568	7.52	3.91
1859.....	322,219,100	32,603	25,576,100	2,588	48	9,883	7.94	4.13
1860.....	329,327,200	33,106	27,576,783	2,685	47½	10,273	8.37	4.39
1861.....	342,386,100	31,638	28,263,874	2,614	48	10,811	8.25	4.30
1862.....	355,107,280	31,118	28,350,612	2,533	48	11,386	8.12	4.22
1863.....	373,349,200	31,364	30,498,660	2,563	48	11,904	8.17	4.25

Of the £30,498,660 received during the past year, the following fourteen great

companies received £23,582,241, against $22,558,602 in 1862, showing an increase of £993,639. The following table shows the traffic receipts, &c., of the great companies, as compiled from the returns for the years 1862 and 1863:

	Receipts— 1863.	1862.	Increase.
Caledonian	£871,677	£804,348	£67,329
Great Eastern	1,589,751	1,476,898	62,853
Great Northern	1,523,252	1,466,529	56,723
Great Southern & West'n	427,456	422,459	4,997
Great Western	3,067,613	3,020.434	47,179
Lancashire & Yorkshire	1,813,700	1,699,619	111,081
London & North-Westr'n	4,912,846	4,685,776	227,070
London & Brighton	976,463	1,000,016	—*
London & South-Westr'n	1,143,219	1,109,917	33,302
Manchester & Sheffield	806,321	738,966	67,355
Midland	2,177,705	2,064,353	113,352
North British	655,201	590,225	64,976
North-Eastern	2,524,409	2,373,554	150,885
South-Eastern	1,142,628	1,135,508	7,120
Total receipts	£23,582,241	£22,588,602	£1,017,192
Deduct	22,588,602	Decrease	23,553
Increase	$993,639		£993,639

During the International Exhibition from 1st of May to 31st of October, 1862, the receipts on the Great Eastern showed an increase of £35,265; the Great Northern, an increase of £67,031; the Great Western, an increase of £143,256; the London and North-Western, an increase of £154,184; the London, Brighton and South Coast, an increase of £44,998; the South-Western, an increase of £80,998; the Midland, an increase of £49,200, and the South-Eastern, an increase of £62,294—making, together, a total increase of £617,566 during the International Exhibition, as compared with the corresponding period of 1861. But during the same period in the past year, the receipts on the Great Eastern showed an increase over those during the exhibition of £5,785; the Great Northern, an increase of £518; the Great Western, a decrease of £24,379; the London and North-Western, an increase of £67,388; the London and Brighton, a decrease of £45,081; the London and South-Western, a decrease of £23,315; and the South-Eastern, a decrease of £23,442. The total increase amounted to £125,285, and the decrease to £116,216; showing an increase of £9,068, as compared with the same period of the exhibition year. The total increase of seven of those lines, for the whole year 1863, as above shown, amounted to £552,579; and the decrease, on the London and Brighton, to £23,553.

But the above table, besides showing us the progress made in 1863, even over the exhibition year, also shows the increase, in the United Kingdom, of railway capital expenditure, the extension of the mileage, and the increase in the traffic receipts for *the past twenty-one years*. During the first seven years, from 1842 to 1849, additional capital to the amount of £142,619,900 was expended, and 4,220 miles of additional railway were opened, producing an increase in the traffic of £6,213,100. In the next seven years, from 1849 to 1856, the additional capital expended was £101,946,260; the additional mileage opened during that

* Decrease on London and Brighton, £23,553.

period was 2,811 miles, and the additional traffic receipts £11,311,700; and in the seven years ending 1863, the additional capital expenditure amounted to £74,299,940, the mileage opened to 3,143 miles, and the additional traffic receipts to £7,503,160. So that the additional outlay in the first seven years appears to have produced only an additional traffic equivalent to 5.06 per cent on the extra capital, and, consequently, the per centage of traffic to receipts was reduced from 8.22 per cent 1842 to 5.93 per cent in 1849, and the net profit from 4.93 per cent to 3.44 per cent. But the public obtained an additional mileage of 4,320 miles. The additional outlay in the next seven years, from 1849 to 1856, appears to have produced an additional traffic equivalent to 11 per cent on the extra capital, and, consequently, had the effect of raising the per centage of traffic receipts to capital in 1849 from 5.93 per cent to 7.69 per cent in 1856, and the net profit on the capital expended from 3.44 per cent to 4 per cent in 1856, giving the public the advantage of a further length of 2,811 miles; and in the last seven years the additional outlay seems to have produced an additional traffic of 10.1 per cent on the extra capital, and, consequently, had the effect of raising the per centage of traffic receipts on the total outlay, from 7.69 per cent, in 1856, to 8.17 per cent, in 1863, and the aggregate net profit, from 4 per cent in 1856, to 4.26 per cent in 1863, giving to the public a further mileage of 3,143 miles.

The results of the railway operations during the past twenty-one years has been the expenditure of £318,866,200 in the construction and completion of 10,274 miles of railway in the United Kingdom, and by which the yearly traffic receipts have been increased £26,027,960.

RAILWAYS OF FRANCE.

The Board of Public Works of France has published a detailed statistical account of railways in that country in 1863 compared with 1862. It appears from it that the length of railway worked on the 31st of December, 1863, was 7,516 miles, (12,826 kilometers,) and was 587 more than at the corresponding date of 1862; and that the total receipts of railways in 1863 were $99,052,877, (495,264,387f,) which were $3,819,390 more than in 1862. The following is an account of the length of the different lines on the 31st of December, 1863, 1862, and 1861, and of the receipts in 1863 and 1862; (the term "old network" means original concessions of lines on which no interest is guaranteed; and "new network" signifies the prolongations and embranchments of those lines, for which the government guarantees 4.65 per cent—a kilometre is ⅝ths of a mile:)

OLD NETWORK.

Names of Railways.	Length worked on Dec. 31, 1863. kilos.	Dec. 31, 1862.	Dec. 31 1861.	Receipts 1863. francs.	Receipts 1862. francs.
Northern	1,053	1,053	967	66,827,576	65,840,163
Eastern	977	963	963	46,605,464	47,050,998
Western	901	900	900	49.711,784	47,274,347
Orleans	1,680	1,627	1,477	70,125,762	66,776,890
Lyons & Mediterranean.	1,462	1,462	1,412	134,159,082	132,533,361
Lyons to Geneva	237	237	237		
Southern	797	797	797	30,356,275	31,460,103
Victor Emanuel (section du Rhone)	116	116	104	1,853,336	1,663,371

Ceinture (round Paris..	17	17	17	2,120,846	2,135,167
Graissessac to Beziers..	51	51	51	798,608	693,752
Besseges to Alais.....	32	32	32	1,929,700	1,595,838
Anzin to Somain.....	19	19	19	632,694	585,517
Carmaux to Albi.....	15	15	15	225,573	297,422
Lyons to l'Croix-Rousse.	1	1	..	.....	.....
l'Croix-Rousse to Sathony.....	7	....	..	73,638	.....
	7,365	7,290	6,991	405,419,788	397,904,939
NEW NETWORK.					
Northern.....	131	113	142	2,788,876	2,750,662
Eastern, Ardenness	1,331	778 / 355	744 / 187	28,495,608	26,272,460
Western.....	644	407	312	6,684,188	4,947,293
Orleans.....	895	755	658	12,037,374	9,203,802
Lyons & Medit'ranean, Douphine	1,228	910 / 179	737 / 158	36,896,813	32,930,717
Southern.....	432	292	160	3,441,740	2,077,564
	4,661	3,784	3,099	89,844,599	78,262,498
RECAPITULATION.					
Old Network.....	7,365	7,290	6,991	405,419,788	397,904,939
New Network.....	4,661	3,784	3,099	89,844,599	78,262,498
Total.....	12,026	11,074	10,090	495,264,387	476,167,422

Notwithstanding the increase in the gross receipts, the lines were not so productive in 1863 as in 1862, owing to the total of the former year having to be divided among a greater number of kilometres worked than that of the latter year. If the *average* length worked in the year be taken, it will appear that, whereas, in 1863, the total receipts per kilometre were 55,476 from the old network, and 21,341 from the new; they were, in 1862, respectively, 56,106f and 22,917f. If the rate per cent per kilometre of the average be taken, it will appear that in 1863, compared with 1862, there was, in the old network, a *decrease* in these lines:—Northern of 2.74, Eastern 1.5, Orleans 2.75, Lyons and Mediterranean 1.40, Southern 3.51, Ceinture 0.74, Carmaux to Albi 24.16; and an *increase* in the Western 5.4, Victor Emanuel 9,69, Graissessac to Beziers 15.11, Besseges to Alais 20 92, Anzin to Somain 8.6. In the new network there was a *decrease* in the Eastern Railway of 6.17, Western 5.84, Lyons and Mediterranean 8.15, Southern 2.35; and an *increase* in the Northern of 19.59, and in the Orleans of 7.17.

RAILROADS OF THE UNITED STATES.

The following is a summary of the Railroads in the United States, January 1, 1864:

RAILROADS IN THE LOYAL STATES.

States.	Mileage—Total.	Mileage—Completed.	Cost of Road and Equipment.
Maine.....	640 59	509 87	$17,788,316
New Hampshire.....	687 73	661 32	21,130,271
Vermont.....	586 17	586 17	25,076,034
Massachusetts.....	1,339 42	1,277 54	59,985,187
Rhode Island.....	156 44	123 94	5,368,974
Connecticut	770 75	616 61	22,158,622
New York.....	3,505 76	2,892 46	134,410,508

States.	Mileage		Cost of Road and Equipment.
	Total.	Completed.	
New Jersey	951 25	761 77	36,363,438
Pennsylvania	4,070 77	3,545 86	165,817,836
Delaware	182 59	126 60	3,345,761
Maryland	709 90	467 80	25,580,373
West Virginia	361 50	361 50	16,342,979
Kentucky	888 40	550 20	22,209,900
Ohio	4,550 10	3,356 74	130,454,283
Michigan	1,425 50	809 20	31,318,856
Indiana	2,173 57	3,356 74	71,713,528
Illinois	3,698 90	3,080 10	118,308,572
Wisconsin	1,680 28	986 38	34,442,283
Minnesota	1,400 60	70 00	5,200,000
Iowa	2,256 80	873 30	25,704,052
Missouri	1,412 39	914 75	45,912,879
Kansas	360 00	40 00	1,000,000
California	512 73	120 05	5,780,000
Oregon	19 50	19 50	700,000
Loyal States	24,807 04	24,926 93	$1,025,115,742
RAILROADS IN THE REBEL STATES.			
Virginia	2,016 48	1,378 70	$45,101,849
North Carolina	1,320 42	945 30	18,241,295
South Carolina	1,039 93	988 93	21,990,690
Georgia	1,635 23	1,421 22	29,036,292
Florida	586 50	401 50	8,628,000
Alabama	1,484 70	891 16	21,351,102
Mississippi	1,072 12	869 12	34,234,138
Louisiana	838 00	334 75	13,639,219
Texas	2,787 00	451 50	16,509,772
Arkansas	701 38	38 50	2,800,000
Tennessee	1,393 48	1,304 77	33,545,511
Rebel States	14,825 19	8,933 45	$240,836,473
Grand Total Jan. 1, 1864	49,632 23	33,860 38	1,265,952,215
" " 1, 1863	49,139 48	22,470 95	1,224,221,671
Increase during year	495 75	1,389 43	$41,730,544

THE

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AND

COMMERCIAL REVIEW.

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